

April *NATION'S* 1947

BUSINESS



- ★ TRAINED TO RAISE
HELL IN AMERICA
- ★ DO YOU HAVE
ACCIDENTS ON PURPOSE?
- ★ YOUR PERSONALITY
SITS FOR ITS PHOTO

REGISTRATIONS SHOW IT • OPERATORS KNOW IT!

COMPASSION MADE BY
B12416

Latest (1946) records show that 78.4% of all 1936 Model Ford Trucks in use 9 years ago are still on the job. That's up to 15.8% better than the records of the next 4 leading makes—and 5.0% better than the average of all four.



"I Know Ford Trucks Last Longer," writes Fleet Operator John J. Durken, Cincinnati. "Eight of our 65 trucks on 24-hour service are 1936 Fords, hauling up to 7 tons payload. After 10 years they're still giving excellent service."



Only Ford Gives You All These Long-Life Features!

The power you prefer—the rugged V-8 or the brilliant SIX—axle shafts free of weight-load, $\frac{3}{4}$ -floating in light duty units, full-floating in all others—extra-strength doubled siderail frames for heavy duty—full pressure oiling system—big, self-centering hydraulic brakes with non-warping, score-resistant cast drum surfaces . . . more than fifty such evidences of endurance engineering to make your Ford Truck Last Longer. Be sure your order is in! See your Ford Dealer now!

MORE FORD TRUCKS IN USE TODAY THAN ANY OTHER MAKE!

A development of
B.F. Goodrich
FIRST IN RUBBER



22 tires carry sugar for 8 million cups of coffee

A typical example of B.F. Goodrich improvement in tires

HERE goes a load of 42 tons of sugar — enough to sweeten more than 8,000,000 cups of coffee. The next day this big truck-trailer unit may be assigned to haul a 45-ton power shovel across miles of unpaved Arizona desert — or to move a house-high transformer to a new location.

Each haul may involve special strains on the 22 tires. In one case it's extra-heavy loads, in another it's unpaved roads, and in a third it may be heat.

In order to build tires which work

well under all types of conditions such as those described, and to keep a constant check on product performance, B.F. Goodrich established a field engineering department. These engineers, reporting direct to the B.F. Goodrich technical division, cover the 48 states, check truck and bus fleets, report constantly on tire service, find out what is required from users, make suggestions to the factory for modifications of tire construction.

More than 1400 tires are under test at a given time. Altogether these en-

gineers check more than 228 million tire miles annually.

This field engineering service is a typical example of the continuing B.F. Goodrich research program. It is another reason why you can be sure of the latest improvements, the highest quality when you buy, or specify, B.F. Goodrich tires. *The B.F. Goodrich Company, Akron, Ohio.*

Truck Tires **BY**
B.F. Goodrich

KEY Executive picks New York Central for KEY Ports



1. EXPERTS ON EXPORTS. "New York Central's traffic expert said ... 'We've got the foreign trade know-how...see for yourself!' And I certainly saw. First he showed me how to route my overseas shipment from St. Louis to Stockholm... saving days and dollars on the way!"



2. SEAGOING RAIL SERVICE. "I went down to the sea in a New York Central tug...part of the world's largest railroad harbor fleet. Central is well-equipped for foreign trade with multiple-track, deep-water docks... giant cargo cranes...and grain elevators...backed up by efficient, modern yards."



3. DIRECT TO KEY PORTS. "I watched New York Central's fast, frequent, dependable freight service in action...over an 11,000-mile rail network...serving great modern ports that handle 80% of Atlantic Coast foreign trade. From here in, Central can oversee my overseas trade. And that's one more reason I'm glad my plant has a 'Central' location!"

HELPING SHIPPERS AND PLANT PLANNERS

Call on New York Central for expert help in handling your domestic or foreign shipments, or locating a plant site with the special advantages you need. Contact the nearest representative of New York Central's Industrial Department or your local Freight Agent... or write Freight Traffic Department, New York Central System, 466 Lexington Avenue, New York 17, N. Y.



You'll find **NEW** business faster, when your plant's in a "CENTRAL" location

CONCENTRATED in New York Central's territory is 52% of U. S. buying power.

ELECTRIC power at low cost and pure water for industrial uses are plentiful here.

NEW specialized cars are adding to New York Central's 158,000 freight car fleet.

TRAVELING personnel benefits from the all-weather service of Central's Great Steel Fleet.

RAIL service via Central reaches ports handling 80% of Atlantic coast foreign trade.

AREA produces 75% of U. S. bituminous coal and steel, plus many other materials and supplies.

LABOR supply includes nearly two-thirds of America's highly skilled factory workers.

NEW **NEW YORK CENTRAL**
The Water Level Route





Courtesy

Some materials for new telephone service are still scarce . . . but reasonableness, courtesy and kindness we can provide in full quantity, for we make them ourselves on the spot. "The Voice With a Smile" keeps on being one of the nice things about telephone service.

BELL TELEPHONE SYSTEM



FEBRUARY 2, 1947

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Company*
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Nation's Business

PUBLISHED BY

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VOL. 35

APRIL, 1947

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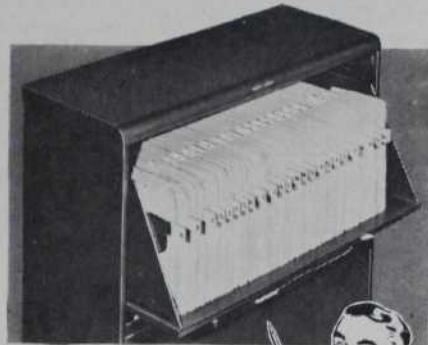
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And no wonder it's profitable action. For *Household* families are bigger than average—their homes are bigger and their needs more impelling. Yes, for advertising results in America's small cities and towns *Household* has no rival. Just ask the advertiser who got a 62,000 coupon response from a single back cover *Household* ad.

HOUSEHOLD

A MAGAZINE OF ACTION *Streamlined*
FOR SMALL CITIES AND TOWNS
CAPPER PUBLICATIONS, INC.
TOPEKA, KANSAS

About Our AUTHORS

AT THE RISK of getting a reputation as a bunch of old women who look under the bed for Communists, we open this month's issue with another story on Russia by **JUNIUS WOOD**. This time he describes the universities where Americans are taught how to tear down their own government. Just the same, we can't avoid feeling that the subject is important. You see, we talked to a man who took the course. He has renounced Communism but many of his fellow alumni haven't. Incidentally, he didn't look like a man who would throw a bomb or shoot the mayor if it suited "the plan."

THERE'S probably one in every plant, perhaps more. You know, the fellows who seem to have all the mishaps, who are always getting hurt regardless of where they are working or what they are doing. Realizing that "Some Folks Have All the Accidents," industrial safety engineers went to work to find the reasons why. Surprisingly, among other things, they learned that industrial accidents can and do begin at home. They also learned that accident-prone workers can be detected and helped to become accident-free. How this can be done is told by **LAWRENCE GALTON** on page 37.

IT probably isn't your fault that Congress has so much trouble reducing the budget. Still, it isn't necessarily the fault of Congress, either—or of the government departments where the ax has to fall. **OVID A. MARTIN** is a logical choice for the task of explaining why. Since 1938 he has covered the Agriculture Department in Washington for the Associated Press. This, plus the fact that he hails from the farm belt in Missouri, makes it understandable why his chief professional interest lies in the "economic, social, and political problems of agriculture." Before coming to Washington, Martin headed the A. P. Bureau in Topeka, Kan.

GERARD PIEL was working in familiar surroundings when he did the research for "Your Personality Sits for its Photo." The machine that does the work is at Harvard and Piel graduated from there—

A.B., *Magna cum laude*—before going to *Life* as Science and Industry editor. He also served a hitch as Henry J. Kaiser's personal consultant and economic and social adviser before turning to free lance, which gives him more time to do the spade work on a new magazine which he proposes to launch "to narrow the gap between the research laboratory and the industrial system."

SOMEBODY has called **WILLIAM A. LYDGATE** "The Man Who Knows What America Thinks," because he is the man who formulates the questions used by Gallup Poll investigators. He also tabulates the results. When he has time to ask questions on his own account, he puts the answers into lectures or articles, like "They Feed the Springs of Discontent."



THE British Admiralty scores an assist in getting us the story about helicopters by **ALEXANDER KLEMIN**. Years ago when the Admiralty announced that the airplane had no future in naval aviation, the ponderous dictum made Klemin so mad that he designed the first American amphibian aircraft. As a result of this and other aerial adventures, he was chosen to head the Daniel Guggenheim School of Aeronautics when it opened at New York University 20 years ago. Recently he has devoted most of his time to consultation and writing on aviation subjects. His spare moments go to his hobbies: walking in the country, when the weather is nice; reading detective stories, when it's nicer indoors.

Cover: Now that spring is in the air the business of growing things will get under way for the great majority of American people. However, to some, like the nurserymen depicted by **CHARLES DEFEO** on this month's cover, it's a full-time, year 'round business. The nursery business has literally grown by leaps and bounds. Its product value, now at \$175,000,000, is double what it was in 1939.



Which industrial Los Angeles are you looking for?

Look north, south, east or west in Los Angeles and you find widely separated industrial centers. Each one is just a few minutes drive from clean, attractive residential tracts. Here there is no single industrial district. No crowding into a congested "factories only" area. Here, every side is the "right side" of the tracks.

Employees like this feature. Executives do, too. While Los Angeles is the largest city west of

Chicago and the third retail market of the nation, it has the important decentralization advantages of small towns. In addition, it has the production and service advantages of large cities.

It will pay you to find out about this unique small-town big-city combination. Write us—today—for information on plant sites, low power costs, ample water supplies, markets, transportation or special problems relating to your business.

Los Angeles City-Owned DEPARTMENT OF WATER AND POWER

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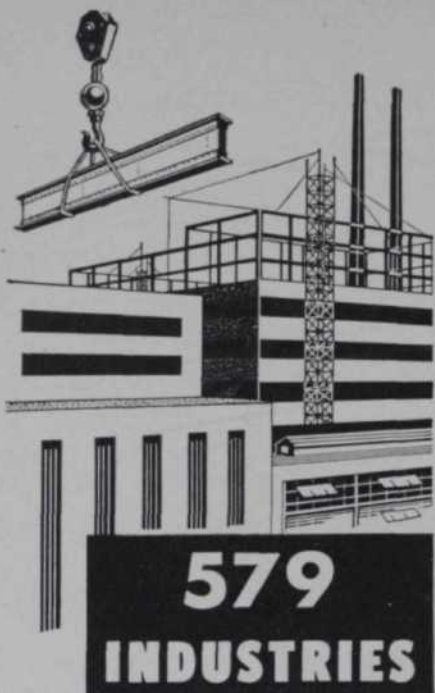
Los Angeles



IN THE WEST



IN YOUR INDUSTRIAL FUTURE



SELECT SOUTH CAROLINA

579 new enterprises were established, or were in the process of being established, in South Carolina during 1945 and 1946 — a hard-headed testimonial to the many advantages which the State offers both business and industry.

Nearness to materials and markets, large supply of skilled, native-born labor, satisfactory plant sites, moderate taxes, uncrowded living conditions — all these are among the reasons that new businesses are being set up by South Carolinians and others at the rate of more than five a week.

Would your business or industry thrive in South Carolina, too? It's worth investigating. For specific, confidential information, write Research, Planning and Development Board, Dept. J, Columbia, S. C.

South Carolina

WHERE RESOURCES AND MARKETS MEET

NB Notebook

April in Geneva

IT IS quite unnecessary to accept the theory that business rivalry between nations leads directly to wars. From the standpoint of indirect influences, however, the point can be bolstered with solid reasons.

Thus, if trade barriers check the flow of goods across international borders, industries languish, unemployment grows and soon there is call for political change. A "Strong Man" appears and preparations for war take up the slack caused by trading restraints.

That is why this month of April will be marked by such significance if the sessions of the Preparatory Committee of the International Trade Organization get under way, as scheduled, at Geneva, Switzerland, and make progress on the program for expanding world trade and employment. These ends are sought through reducing trade barriers, curbing monopolistic restrictions and guiding governmental commodity arrangements.

Ace in the hole

IN CASE the country, in another three or four months, slides into the business shakedown which has been so widely predicted (that it may not come off), new products may turn the tide. These will not be gadgets because the "gadget cycle" should be over by then.

By new products is meant new models resulting from the application of wartime developments in materials and manufacturing processes.

The postwar rush to get quickly into production sidetracked a lot of war knowledge. Markets were waiting and eager, so why take chances on what was new, sometimes untried and certainly expensive?

Now industry possesses an "ace in the hole" to whet buying appe-

tites when they appear to be getting jaded. Some new and exciting products, long promised and a bit overdue, are in prospect.

Iron horse

NETTLED, for obvious reasons, at the first loss for his railroad in its 100 year history, Martin W. Clement, president of the Pennsylvania Railroad, posed this dilemma for the country to consider in his annual report:

"Financially sound railroads are the backbone of an economically sound and socially sound nation. From the standpoint of the public as a whole, it is much better that rates be raised high enough for the carriers so to advance the art of transportation that economies will be produced in order that, over a period of time, reductions in the cost of transportation will result, rather than to hold the rates to such a low point that proper expenditures cannot be made to produce economies."

Mr. Clement, in short, was arguing that government regulation ought to hitch the Iron Horse the right way—before and not behind the cart.

Inventories

WHEN the talk is of pipelines and whether supplies are pumping along to consumers in proper style, it ought to be worth while to take a look at wholesale inventories. Wholesaler could be called another word for pipeline. At the year-end it looked as though the wholesale pipelines were comfortably filled.

Thus, 2,354 merchant wholesalers reporting to the Bureau of Census indicated that their stocks on December 31 were 53 per cent above those of 1945. Sales for 1946 were 31 per cent ahead of the previous year and in December 42 per cent higher.

Inventory increases could be ex-

TAKE IT FROM ME- *PAY LOADS...PAY OFF!

**PROFITS LIKE THESE
WHEN MATERIAL
LOADS ARE MECHANIZED
ELECTRICALLY**

- ✓ Yearly handling costs cut \$40,153.72
- ✓ 40% increased production
- ✓ 50% more free storage space
- ✓ Breakage costs reduced 80%

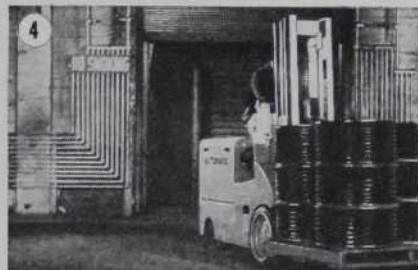
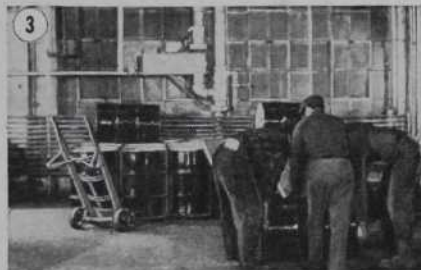
It used to take *four of our men* eight hours to unload a freight car of raw material **MANUALLY**. . . 32 *man-hours* of back-breaking, gruelling labor. Now, with Automatic Transporter **ONE MAN** does the same job with ease in just 12 *man-hours*.

Labor tugged and strained, moving and storing wood-cased material by hand...ate up 16 *man-hours*. Now, **ONE MAN** operating an Automatic Trans-stacker, moves, lifts and stacks the same material ceiling high in *one man-hour*...

gives us 50% more storage space free.

Yes, since I put these miracle trucks of mechanized power to work for us, production has increased 40%. Our yearly handling costs have been cut \$40,153.72 ...dollars and cents proof that a material load **MECHANIZED** electrically is a **PAY LOAD** . . . and Automatic **PAY LOADS PAY OFF** in lightening labor's loads, management's, too!

Give *your* business this chance to make similar savings . . . *pay load profits!* Mail coupon.



1. OLD WAY: Bucket brigade storage system leads to injury of employees, damage to materials. Time for off-piling, hand-loading and unloading truck, and manual storage: 16 man-hours.

2. AUTOMATIC'S WAY: At the warehouse, TRANSTACKER, another new electric money-and-muscle saver, easily lifts, moves and stacks two tons of wood-cased material each trip.

3. OLD WAY: Back-breaking drudgery of man-handling oil drums wastes more productive labor and expensive space, requiring 90 man-hours to unload and store one carload by hand.

4. AUTOMATIC'S WAY: With the SKYLIFT Fork Truck, every trip becomes an easy four-in-one pay load, taking only 4 man-hours to unload freight car and stack drums to the rafters.



Be sure to see
ATCO'S new film

***"PAY LOADS...PAY OFF"**

Automatic
ELECTRIC TRUCKS

*Lighten
LIFE'S LOADS*

AUTOMATIC TRANSPORTATION COMPANY

DIV. OF THE YALE & TOWNE MFG. CO.
89 West 87th Street, Dept. D7, Chicago 20, Illinois

- ☐ Send information on Automatic Electric Trucks.
- ☐ Have an ATCO Specialist make a free survey of my materials handling costs.
- ☐ Schedule me for an early showing of ATCO's new movie, "Pay Loads Pay Off."

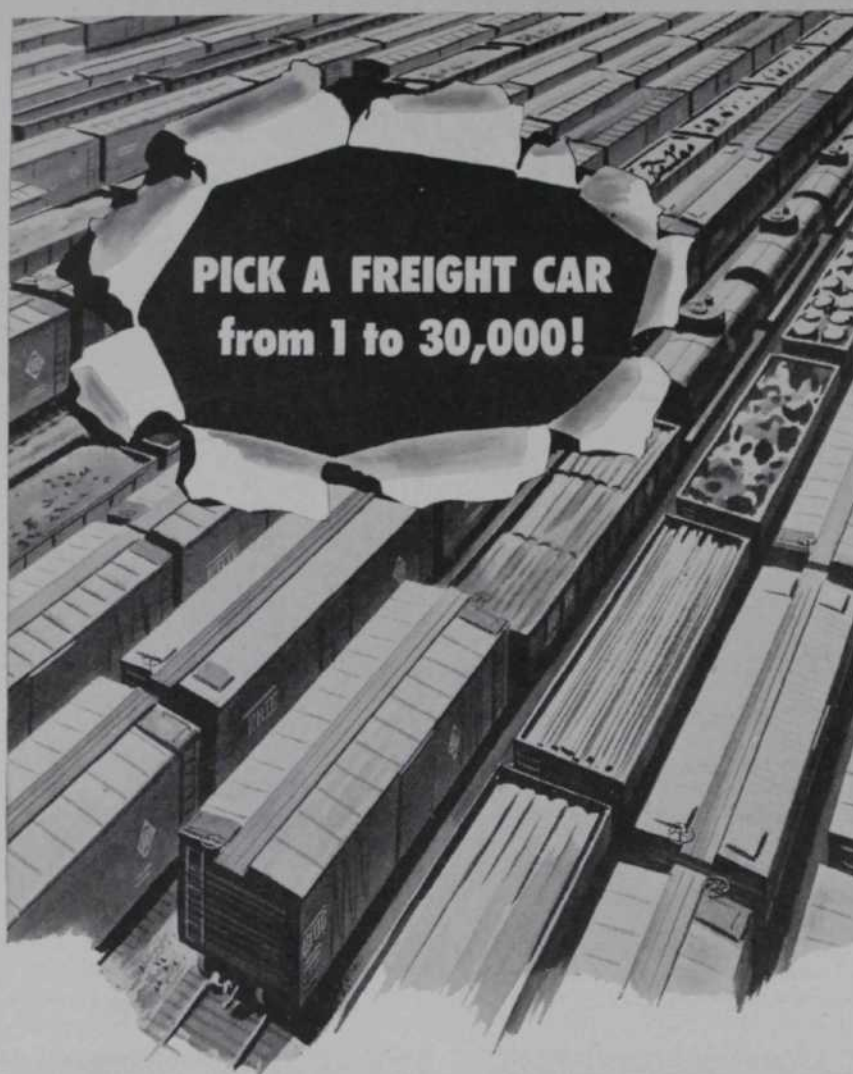
Company Name

By Position

Street Address

City State

MANUFACTURERS OF THE FAMOUS TRANSPORTER, TRANSTACKER AND SKYLIFT ELECTRIC TRUCKS

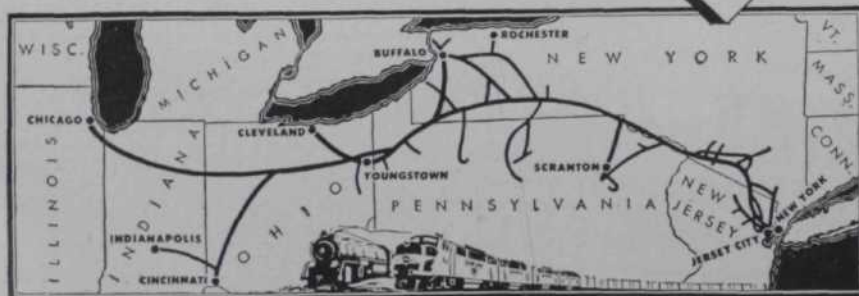


Look at the map below of the Erie System—over 2000 miles of railroad. Picture as many as 30,000 freight cars moving back and forth over these tracks at any one time. Every day, about 4000 cars are delivered to consignees and to connecting railroads; every day about 4000 more cars are received by the Erie from connecting railroads and on-line shippers.

Yet with all those constantly moving cars, the Erie can tell a shipper promptly *where* his car is, and *when* it is due to arrive at destination! This service is made possible by a unique and modern teletype system . . . typical of *progressive, precision* railroading . . . the kind of railroading which in this and many, many other ways means *better service* for Erie shippers.

Erie Railroad

SERVING THE HEART OF INDUSTRIAL AMERICA



plained by the reappearance of war-short stocks on the market such as electrical products where the year-to-year rise was 130 per cent. However, dry goods stocks were up 79 per cent. The declines were limited to clothing and furnishings, except shoes (six per cent), beer (five per cent) and optical goods (10 per cent).

It has been pointed out that supply pipelines represent excess demand for productive facilities, and that the business test will come when consumer demand constitutes the sole market.

Harvester "pie"

IN ITS 1946 printed report, International Harvester Company follows up its "pie chart" of all receipts and their distribution with bar charts that offer a comparison between 1941 and 1946.

The "pie chart" shows these percentages for the distribution of receipts: Cost of materials, supplies and other expense, 51.93; wages, salaries, social security, pension and group life, etc., 40.45; dividends, 3.76; taxes, 2.84; retained for use in the business, .79; and executive compensation, .23.

The bar charts disclose that, with material costs deducted, employees received 81 per cent in 1941 as against 90 per cent in 1946, the stockholders' share declined to 8.3 per cent last year compared with 11.7 in 1941 and the percentage retained for use in the business dropped from 7.3 to 1.7 per cent. A graphic hint to employees that they are not doing too badly.

Morgan estimate

IF MEMORY serves, it was the founder of the House of Morgan who declared that good business judgment consisted in being right three out of five times. That was almost a perfect bullseye as determined many years after by the A. C. Nielsen Company which operates the Nielsen Food-Drug Index and describes itself as the "World's Largest Marketing Research Organization."

From surveys made for many important companies, Nielsen discovered that executives are right, or substantially right, in only 58 per cent of their decisions on important marketing questions. The Morgan rating for success was 60 per cent.

Executives were asked to write their answers to certain marketing questions without the benefit of research. These were compared later with the facts as revealed

by comprehensive marketing research, and 42 per cent were wrong.

Incidentally, Nielsen is now engaged in a campaign to take a lot of the guess work out of radio ratings. An attachment to the radios records exact use.

1919-20 pattern

EXPORTS in 1946 were only fractionally below 1945 when lend-lease shipments comprised from 60 to 75 per cent of the monthly totals for the first half of the year. Commercial exports soared, however, to take up most of the slack.

The course of foreign trade, therefore, follows the pattern of 1919-20. The over-all total for last year in exports jumped 25 per cent ahead of 1919 though relief shipments and some residue of lend-lease were included.

If the 1919-20 pattern persists, then 1947 can be counted upon to provide another good increase in our foreign commerce. The price collapse of 1920, however, hit such trade just as hard as it bumped the domestic variety. Exports and imports in 1921 were just about half of the 1920 peak.

Cracker barrel tops

FRAGRANCE of coffee, spices and cheese. Overtones of warm bread and soap. Undertones of kerosene and hemp. The general stores at the crossroads, cracker barrel, town meeting atmosphere.

Your modern merchandising expert at one glance would find a hundred things wrong—store layout, stock, display, service, credit. But there on top, leading the list of all stores in the country for longevity is the "general store with food."

The average retail store, according to the Commerce Department, lasts only 12 years. General stores have an average life of 21 years. Hardware and jewelry stores string closely behind.

Orphan owners

IN THE early '30's Adolph A. Berle, Jr., and Gardiner C. Means collaborated on a book, "The Modern Corporation and Private Property," which excited not a little comment. It advanced the proposition that business control had passed from owners to managers.

Now we have a voice for management calling attention to the fact that labor has entered the picture and negotiations proceed between unions and managers with little or no heed to the owners.

"In 99 of 100 cases the primary



what's cheaper than dirt?

Pure running water from a public water supply system is literally cheaper than dirt. A ton of it (240 gallons) costs as low as 10 cents. A ton of earth, dumped in front of your home, would cost many times 10 cents for trucking alone. This low cost of pure water is the more remarkable when you consider it includes collection, purification and delivery right to your faucet.

One of the reasons for the low cost of water is the long life of cast iron pipe. The major part of the cost of a water supply system is for underground mains. More than 95% of them, throughout the country, are constructed with economical long-lived cast iron pipe. Water supply service is generally "out of sight and out of mind" of the public, and, too often, taken for granted. But it is America's largest industry, operated with great efficiency, 24 hours a day, 365 days a year. Cast Iron Pipe Research Association, T. F. Wolfe, Engineer, 122 S. Michigan Avenue, Chicago 3, Illinois.



This cast iron water main has served the City of Philadelphia for 125 years.

CAST IRON PIPE

SERVES  FOR CENTURIES

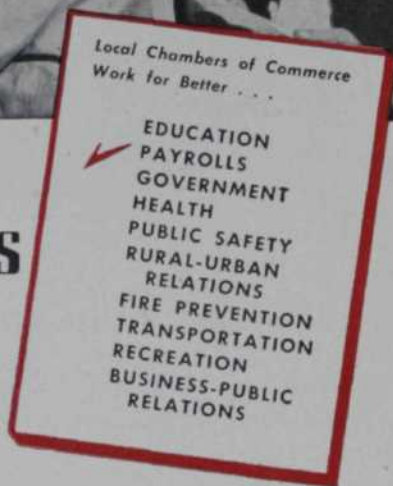
LOOK FOR THIS MARK

IT IDENTIFIES CAST IRON PIPE



EWING GALLOWAY

More Dollars FOR Your Town



PAYROLLS are the life blood of any community. When payrolls are growing, business is generally good. And when business is good, the entire community prospers.

For this reason, chambers of commerce sponsor and support such payroll-expanding activities as the attraction of new industries and the expansion of existing ones to create new jobs . . . the modernization of stores to increase the community's trading area . . . the attraction of tourist and convention dollars . . . and the improvement of the community's level of education.

▶▶ NO MATTER how good your local chamber officials are, they can't do their most effective work without your help. Ask them what you can do. Then if you want to dig deeper into the possibilities of chamber work, read, "Local Chambers, Their Origin and Purpose." Write us for a free copy.

**Chamber of Commerce of the
United States of America
WASHINGTON 6 • DC**



concern of management," writes Alvin E. Dodd, president of the American Management Association, "is not the stockholder but the employees. The manager is continually attempting to increase his knowledge of how to deal with employees. He hires an army of specialists to help him. He polls the employees' opinion. He gives employees psychological tests and subjects them to ingenious training routines.

"But how often do you hear of managers polling the opinions of stockholders?"

As time passes, Mr. Dodd would have us know, it becomes increasingly important that people be reminded that our factories and production facilities exist because other people risked their money to make them possible.

Brands going places

FOR YEARS the notion persisted among large retailers that selling national brands was open to several sharp objections. Their stores became the selling representative of the manufacturer and not the buying representative of their customers, the merchants argued. There was the jeopardy of losing the brand, if handled, at the whim of the owner.

As a result, the big stores gave small attention to brands except when they were booting them around as "price footballs," a bit of bait to lure customers.

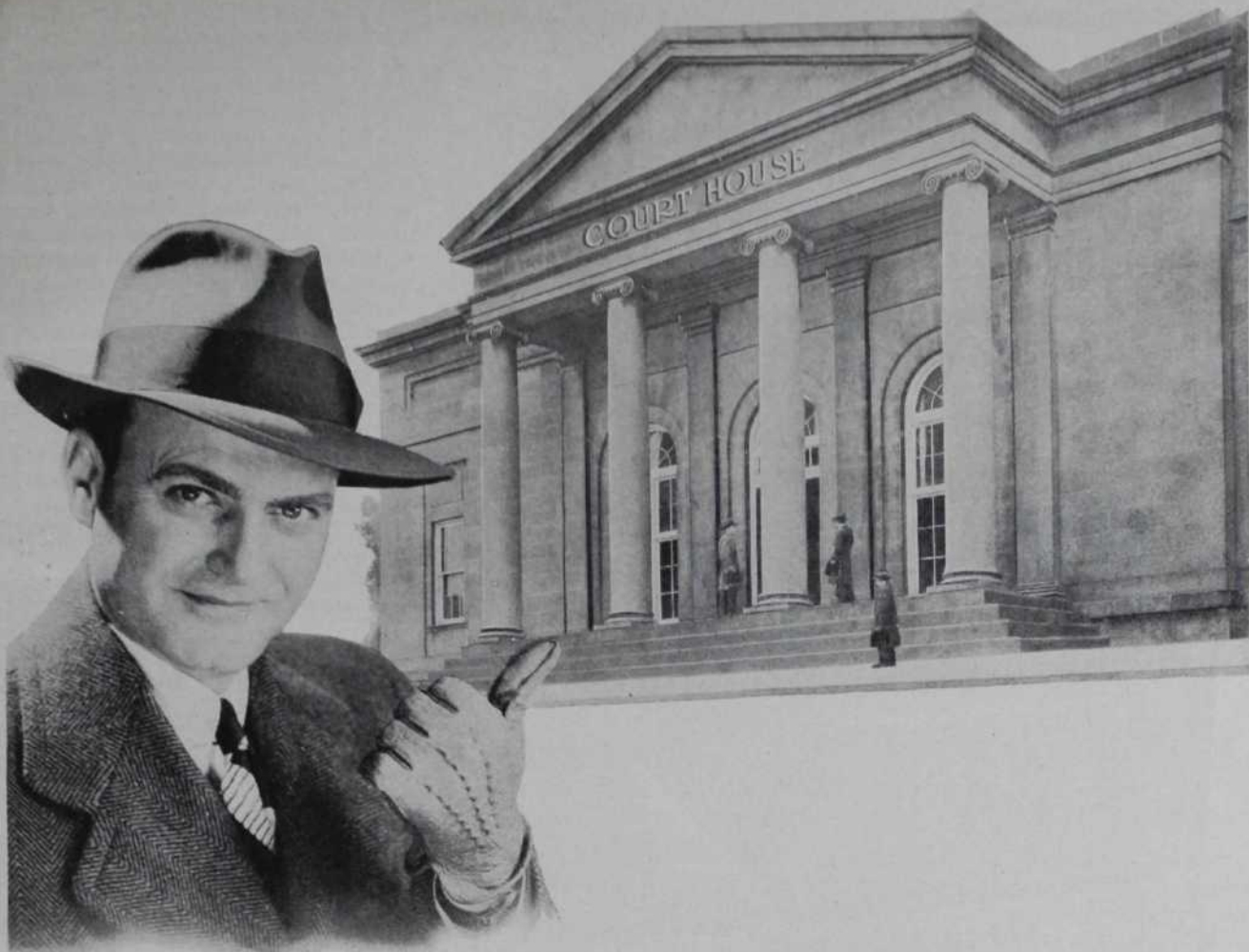
The picture now has changed. Brands came through the war with colors flying. Quality and value stood out against substandard ersatz. Many merchants find themselves in need of just this kind of good will to re-establish themselves with disgruntled customers.

A stronger reason for believing that brands will have a more important place in the retail scheme of things for the future is the store personnel problem. Salaries are up and capable help scarce. Self-service expands, aided by store broadcasting, films, television and electronic speakers. Brands fit into this development like a fish in water.

2-10 E.O.M.

SEVERAL manufacturers who joined a number of other important producers in eliminating the cash discount have decided they have had enough of the retail hornet's nest they stirred up. They have recanted and others no doubt will decide to resume traditional practice.

The cash discount was only



NO SHORTAGE OF SUITS HERE

Yes, there's no shortage of lawsuits. Dockets are crowded, these days. Worn-out equipment, war-born carelessness, strain and fatigue . . . these and many other factors increase the possibility of accident and resultant legal redress. That's why you need, more than ever, complete

coverage of Liability Insurance. Mill, factory, store, home, automobile . . . all need protection against lawsuits resulting from accidents. Make sure that such claims do not cause you crippling losses in time and money. See the U. S. F. & G. agent in your community today!

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as you would your Doctor or Lawyer"

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This is the famous SoundScriber electronic disc dictation machine. You will find nearly 50,000 of them daily expediting the work of their thousands of owners...and saving them money besides. Here's why:

- ① SoundScriber is revolutionizing business communication. For the first time, it makes machine dictation as simple, easy and *expressive* as the act of conversation.
- ② So thoroughly has SoundScriber been engineered to *the way people work* that it has displaced the older methods in America's largest businesses and industries. Thousands who previously felt no enthusiasm for machine dictation are now using SoundScriber and receiving the benefits resulting from this revolutionary system.
- ③ SoundScriber was and continues to be *first* in combining the superior fidelity of electronic reproduction with the easily handled, flexible, plastic disc. The result: utter clarity of the voice for quick, accurate, tension-free transcribing and a simplicity of operation which makes you forget you are using a machine at all!
- ④ Test SoundScriber equipment against any known dictating system of any type. Its quick convenience, its saving of time and money, and its modest cost—the lowest in the dictation machine industry—will revolutionize *your* thinking about machine dictation, too! Mail the coupon today!

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vaguely related to interest rates though it still bore that title. With rates approaching the nominal level, sellers thought they saw an opportunity to banish the discount.

The retail argument is that the concession for cash or payment within a specified period (two per cent for ten days after the end of the month of shipment) is a "cushion" of very essential nature, a sort of automatic correction for merchandising mistakes. Truth of the matter is, sellers contend, that it is a hidden profit which retailers hug to themselves against any occasion when profiteering charges might be aired.

It was a sign that the buyers' market is here, however, when leading producers decided to accede to retail demands for their accustomed "cushion."

864 standards

REPRESENTING the cumulative effort of about 3,000 men in 660 organizations working on their development, a list of 864 standards has been issued by the American Standards Association. The Association is a federation of 97 national technical, trade and governmental organizations maintained by industry to promote the development and use of standards and to serve as a national clearing house.

The standards listed represent in each case general agreement on the part of maker, seller and user groups as to the best current industrial practice.

Not only will these approved standards help domestic transactions but, in an expanding world trade, frictions and disagreements will be reduced between buyers and sellers who operate thousands of miles apart.



*A Company is known
by the Customers
IT KEEPS!*



Through 10 Foot Snow Drifts in Winter. . . .
Across Scorching Deserts in Summer . . .
Over Unimproved Mountain Roads. . .

TOUGHEST HAUL IN THE SOUTHWEST!
SO MONTE VISTA TRANSPORT CHOSE FRUEHAUFS!



MONTE VISTA TRANSPORT of Monte Vista, Colorado, covers one of the toughest routes in the world—through mountains and across the desert wastes of Colorado, New Mexico and Texas.

Elevations on their route range from 3,000 to 12,000 feet above sea level. In winter months they buck four to ten foot snow drifts. In summer they travel through country where the thermometer often hits 120°!

TRAILERS CARRY BIG LOADS!

Monte Vista employs Fruehaufs to haul livestock, grain, potatoes, feeds and glassware. Loads average 28,000 to 32,000 pounds per trip.

But, let James Ashton, owner of Monte Vista Transport, tell you in his own words, what he thinks of Fruehauf Trailers:

Mr. Ashton writes, "175 miles of our route one way is over unimproved mountain roads of the worst kind, that in the past literally beat the life out of our equipment."

"In August, 1944, we purchased our first Fruehauf Trailer which we added to our fleet of eleven Semi-



Trailers. Since that time we have acquired four more of your Aerovan models. Our experience with these Trailers has been exceedingly pleasant. We have reduced our cost per mile immeasurably. All of this we attribute to the sound engineering principles incorporated in your tandem underconstruction.

ORDERS MORE FRUEHAUFS!

"We are through experimenting and have decided to standardize on Fruehauf Trailers. In view of the amazing performance of these Trailers, we are placing an order for two new 32' Gravity Suspension Tandems".

In choosing Trailers for tough hauls . . . or for routine jobs . . . you can profit from the experience of professional haulers like this successful firm. These operators, who depend on their rolling equipment for their entire earnings, use *more Fruehauf Trailers than any other make!*

**FRUEHAUF
TRAILERS**

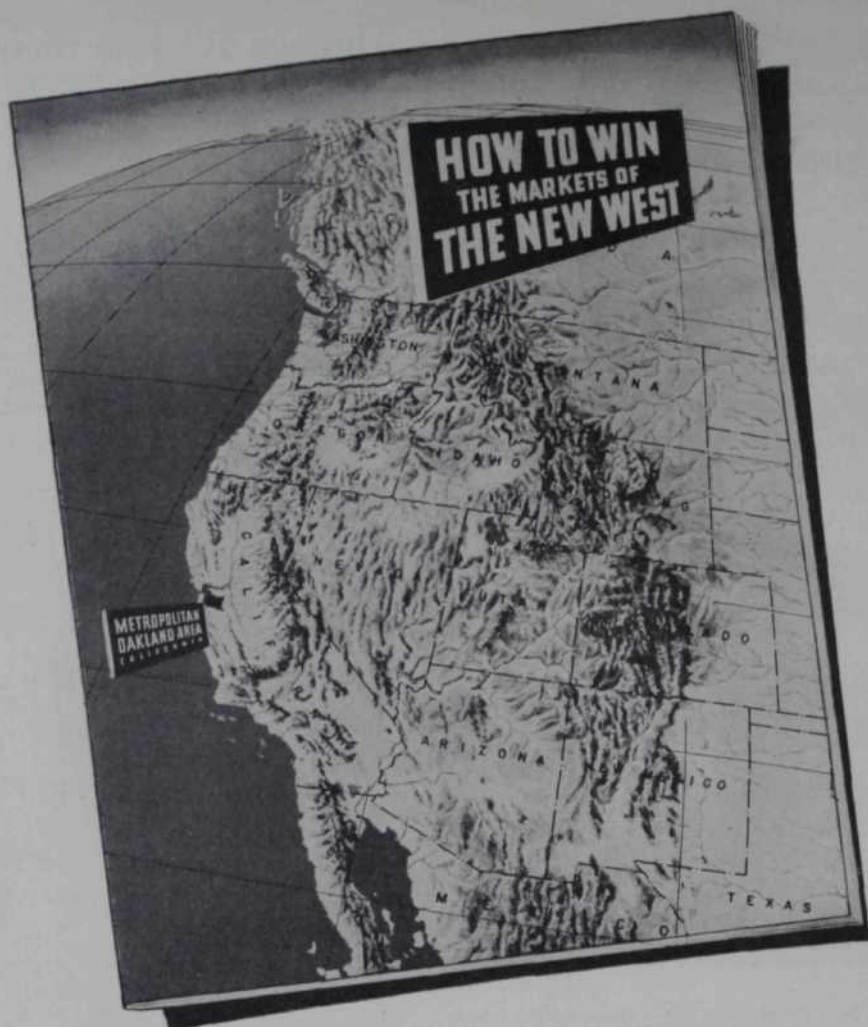


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"Engineered Transportation"



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THIS NEW 52-PAGE BOOK is packed with latest information on the amazing NEW West. And its most favored industrial section, Metropolitan Oakland Area, California.

It shows you "airplane maps" of the five great markets best served from this Area. A new type of map—never before published—that for the first time enables you to see the terrain of these rich, higher-than-average-income markets just as you might see them from your airplane, not merely as so many lines on the ordinary flat map.

If you are "thinking West," you need this book. From it you can learn the basic facts about the West, and why Metropolitan Oakland Area is the most favored location for reaching and serving the Eleven Western States, the Orient, the World . . . by rail, by air, by water, by truck . . . at low cost, in less time.

Then if you will outline your company's requirements, we will supply, without cost or obligation, further details applied directly to your operation.



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MANAGEMENT'S *Washington* LETTER

► **LEST WE FORGET:** Prices are the habits of people, as much as amounts of money.

Fact that a man is making twice his 1939 income doesn't mean necessarily he will pay twice as much for what he buys.

► **THAT DEPRESSION** you've been hearing about is on vacation.

Government economists, others who predict it periodically are following the charts—

These show a break in prices coming "sometime this year." It always has come within two years after war.

But will it mean depression?

Note the cutback in many economists' talk about the coming cutback. More are predicting price drops of 10 per cent or so. That isn't depression.

Recession, yes. If you are caught with heavy high-priced inventories, you can get hurt.

Present period is filled with terrific price distortions. Copper is up 80 per cent over fall level. On same day lead jumped 7 per cent, turpentine dropped 10.

Study possible effect of such distortion on your own business. Generalities may not apply in this market.

Good broad policy: Limit inventory to bare necessities. Buy only what you need, what you can move quickly.

Don't let rising prices mislead you into plunging. Break will come when it's least expected.

Watch retail sales figures this month, particularly department store sales, as indicator of public's buying temper, for signs of buyers' strike.

Sales volume after usual Easter impetus will show whether people intend to buy or wait.

So far dollar volume runs above year-ago figures. But that's largely result of higher prices. Unit sales are holding about the same, or dropping.

In a buyers' market, unit sales become the key to profits.

Surplus cracks prices. That's the other important factor to watch.

Partial lifting of export limitations probably will put off expected recession in cotton goods.

Wheat is in similar situation. We

produce between 1,000,000,000 and 1,200,000,000 bushels, use about 700,000,000.

Which means we must get rid of 400,000,000 bushels a year. World relief will quickly absorb surplus this year. So price jumped to \$3. for wheat last month.

But what CAN happen? Let's look at what has happened.

In January, 1920, cash wheat was \$3.50. By November, same year, it was \$1.58 and in 1932 it hit 45 cents.

► **CAPITAL EXPENDITURES** are running 20 per cent above last year's record-breaking level.

That indicates a total of nearly \$15,000,000,000 for 1947.

Also indicated is strength of the heavy industries that form a sound base under U.S. business this year.

Recession (if it comes) will not cut these expenditures. Nor will high prices cause postponements.

The shell that houses its productive machinery is a small part of industry's costs.

Thus building costs are unimportant when translated into the cost of units produced within the housing.

Capital improvement is a long-term process. Many individual programs run three years or longer. Price changes are not likely to affect long-term programs, which average out over the years.

In many cases the need for improvements has accumulated over the depression decade as well as the war years.

As to possible extent of expansion—take electric energy for example:

Energy generated and sold jumped 70 per cent from 1939 to war's end while plant expansion was held to a quarter of that rate. Sale of electric energy is holding at the war peak level, exceeding it during some periods.

Electric industry must not only replace or rehabilitate war-worn facilities, but also expand to meet new demands.

Telephone industry, in similar position, is in midst of greatest capital improvement program in its history.

What about war plants?

Government spending for industrial facilities during war was well under amount that would have been spent by industry in the same period without war.

And Government still holds 75 per cent of its war facilities. Half or less will ever find peacetime use.

► **ECONOMIC WAR** can keep a nation almost as busy as a shooting war.

That's a thought to keep in mind when

thinking of the Truman foreign policy.

Turkey, Greece are stop-gap. Major application of new policy will be to Germany and France.

Hoover report ended Morgenthau plan for an economically anemic Germany. Southeastern Europe depends on a busy Germany to buy goods.

Government's unofficial tip to France: Isolate Communists, keep them under control, and you can have machinery, capital goods, more finance.

The more aggressively new foreign policy is pursued, the greater load on U.S. production, business.

White man's burden may have been a mistake (as England sees it today) but it made a comfortable England for 200 years. And also a lot of millionaires.

► SALES OF A BILLION a month for next six months is War Assets' goal.

WAA talks in terms of acquisition cost, not return. That will be about 20 cents on the cost dollar.

Accent will be on moving real estate, including about 1,500 industrial plants.

Pressure comes from top to get rid of all but defense stand-by and non-salable plants by end of this year.

This involves stepped-up advertising, a flood of invitations for bids.

Note: Industrial plants have been bringing, probably will continue to bring, considerably above average surplus return.

This is because average is dragged down by junk disposal, giveaways to schools and political subdivisions.

WAA now has in its jurisdiction about \$9,500,000,000 of surplus with another 10 to 15 billions' worth to come from owning agencies.

► THERE WILL BE PLENTY of industrial background among experts now being chosen to advise Congress on economic policy.

It will be their job to keep before Congress long-range views of economic trends, suggest over-all policies designed to avoid boom and bust.

In short, they will attempt to do for Congress what the Board of Economic Advisors attempts to do for the President.

Both advisory groups were set up in Employment Act of 1946. But Congress is just getting around to organizing its economic lookout post.

Congressional group will work under the joint committee on the economic report, of seven members from each house.

► NEW THINGS COME from research, and a record-breaking billion a year is being poured into research in the U.S.

That's triple the prewar rate.

Before the war, industry conducted nearly all U.S. research, spent about \$350,000,000 annually on it.

Now this total is up to \$500,000,000 and Government is spending approximately as much.

Eighty per cent of the government figure goes into military research.

Guided missiles take a large part of the military allocation. Why? Because we have developed a mighty and mysterious weapon in the atomic bomb.

Now other countries—possible enemies—are at work on atomic bombs, other weapons to overcome our superiority. So we must cover all possible bets.

Guided missiles are like a department store: you need a complete line to be effective.

We can shoot a rocket from a submarine to land—so we need a rocket to shoot from land to sub, in case that sub isn't ours.

Likewise from ground to air, air to ground, water to air, air to water, etc.

► GOVERNMENT WILL CONTINUE as exclusive natural rubber buyer for U. S. for another six months, continue to allocate it for another year.

That's probable outcome of legislation pending in Congress.

Rubber experts say world shortage will be over in six months, ending need of holding price stable through exclusive government purchasing.

Look for a permanent office of rubber director later.

Plan is to continue government allocation of natural to force use of synthetics, thus protect the nation's \$700,000,000 war-built synthetic plant.

Government director, advised by industry, would set proportions, keep synthetic plants and development going.

Meanwhile Army complains that, in holding down price, Government also holds down quality of natural rubber U. S. gets.

► THE WORST IS YET TO COME in teachers' pay controversy.

Many are ready to follow union example. They're tired of seeing less skilled craftsmen get raises through strikes and threats, of being told that budget limits prohibit teachers' raises.

An official of New York state teachers' group reports 45 teachers' locals organized by old-line unions within last six months.

Strikes in current school year total more than 20.

But majority of teachers won't strike. They think it unprofessional. National

Education Association advises them against striking.

They have another way out—the Norwalk (Conn.) plan which proved effective a year ago.

Teachers there didn't strike. They just didn't sign new contracts for coming year. Schools didn't open in the fall—until teachers were satisfied.

In majority of school systems individual contracts with teachers for school year opening next fall come up for renewal this month and next.

Offered same old contracts, same old salaries, many will follow Norwalk plan.

► **WORLD BANK** has gone conservative, may now get going.

New president, John J. McCloy, New York lawyer, former assistant secretary of war, will follow "sound" banking practices, discard New Deal concept of bank as an international political agency.

Note background of his principal assistants: Eugene Black Jr., former Chase National vice president; Robert L. Garner, former financial vice president of General Foods Corporation.

All this pleases bankers who must sell (and thereby bless) World Bank bonds to you directly and through banks and insurance companies.

Current problem: Loans to Russian-dominated countries in effect may be loans to Russia.

Will Americans buy World Bank bonds to support iron-curtain economies?

► **AVIATION**—not old-line commerce, takes 60 per cent of Commerce Department's estimated expenditures for next fiscal year.

That explanation is advanced by Commerce heads arguing for their \$260,814,602 estimate—\$157,956,200 would go to air via CAA, CAB, airports, aids, etc.

That's so. But look! From actual expenditures totalling \$51,043,972 in 1946, eight of the department's old-line bureaus would jump to \$83,682,402.

That includes weather, part of which may be charged to air. But it doesn't include the \$10,150,000 business census and several other items set up separately.

Office of the secretary would get \$6,892,603 compared with 1946 actual expenditures of \$3,446,520.

That's 1946 times two.

► **FAR AND AWAY** the biggest purchaser of civil flight training in the world today is the Veterans Administration.

Officials estimate that if only the 60,000 or so veterans now enrolled under

the GI Bill finish their flying courses the cost would total \$50,000,000.

But, they add, enrollment probably will expand this summer and continue well into 1948.

This means a continuing bulge of business for 2,200 school operators scattered throughout the U.S.

It means also continuing business for makers of light trainers and handlers of aviation supplies.

About 73 per cent of the trainees are signed up only for basic course leading to private pilot license, which limits holders to non-commercial flight.

► **DEPT. OF DREAMS** (GOP Div.)—

Suppose business volume and prices keep climbing through this year and Treasury receipts are several billions above President Truman's estimate. Could happen.

Then suppose the Republicans used this unexpected surplus to reduce taxes sharply and make a big cut in the debt.

And then suppose the price bubble bursts and that long-awaited recession comes early in 1948.

President Truman wouldn't have a chance, these dreamers point out—the GOP would take the White House.

Recession wouldn't last long. Postwar recessions never have.

So the Republican Administration would sail right into long-term prosperity, bowing modestly along the way for its economic accomplishments, no doubt.

Meanwhile economics would continue their habit of doin' just what comes naturally.

► **BRIEFS:** South Texas Chamber of Commerce finds the state's annual bill for federal, state and local taxes exceeds total annual value of Texas agricultural crops, livestock and livestock products. ...Douglas is putting finishing touches on a new DC-6 for President Truman's personal use, replacing present Sacred Cow. White House also hopes for new name....Budget Bureau's statistical standards division points with pride to its cut in surveys, other question forms. Cut is from wartime peak of 6,200 to 4,000 this year....Rumblings that General Bradley is asking to be relieved of Veterans Administration post grows louder....National Advisory Committee for Aeronautics has tested more than 100 fuels, found none better than kerosene for jet engines....Trouble with Republican leadership: They're ALL running for President....Likely labor legislation: Law authorizing government-requested injunctions against strikes affecting the national welfare.

It handles every accounting job

*for this company
with 60 employees!*



In just a matter of seconds this Multiple-Duty National Accounting Machine changes from one type of work to another. The removable form bars, which make this possible, simply lift out and snap in—no screws, catches, or fittings to fuss with.



In great batteries, this same National Accounting Machine serves many of the country's largest banks and industries.

One of the most enthusiastic National users to be found anywhere is a manufacturer employing about 60 people in his office and factory, and having a daily posting of accounts receivable of only about 40.

While no one, or two, or even three, of his accounting jobs would have justified machine operation, yet his National Multiple-Duty Type-writing-Bookkeeping Machine is so flexible that, *single-handed*, it handles his *entire* accounting! It produces his accounts receivable; accounts payable distribution and general ledger; payroll—both checks and cash; stock records—on order and on hand; salesmen's commission accounts; and sales distribution by products and by salesmen—all accurate, all balanced, all up to the minute at any moment!

Prior to his use of the National machine, two of these jobs—stock records, and sales distribution—were not available at all. And the others meant endless work, with all of the usual duplications, triplications, month-end peaks, and laborious searches for differences.

If you employ from about 50 people up, let your local National representative show you exactly how the right National accounting system can save you time and money, while giving you better control of your own business. Or write to The National Cash Register Company, Dayton 9, Ohio. Offices in principal cities.

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Making business easier
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NATION'S BUSINESS for April, 1947

TRENDS



OF NATION'S BUSINESS

The State of the Nation

THREE months of the two-year span allotted to the Eightieth Congress have now elapsed. There will be no quarterly report to the electorate.

Under our system of government we are not expected to pass judgment on our representatives until they have had a fair opportunity to prove themselves. It is not premature, however, to draw some preliminary conclusions from the record of a session which has started well and which holds promise of being outstanding in congressional history.

The first of these conclusions seems negative, but is nevertheless important. The machinery of government has neither stalled, nor stripped any gears, nor even missed fire perceptibly as a result of electing a Congress opposed to the Administration in political complexion. There have certainly been sharp disagreements, and more of these are to be expected. But, on the whole, the Republicans in charge of congressional committees and the Democrats in charge of executive departments have been behaving like patriotic Americans; not like elephants and donkeys.

This was so confidently to be expected that it would not merit comment except for the doleful predictions, early last autumn, of the disasters to be expected if one party should storm Capitol Hill while the other still held the White House. The result, it was asserted, would be to destroy the international influence of the United States; to produce stalemate in domestic government;

to bog down reconstruction. None of this has happened, and none of it will happen.

There will be no disaster from divided political authority for the simple reason that our system of government is by plan and structure opposed to concentration of power. Therefore it operates not less but more efficiently when unusual executive authority is curtailed by the presence of an opposition Congress. A situation like the present gives an additional check to that unhappy centralizing tendency which is death to individual initiative and which the Constitution of the United States was carefully designed to avert.

Political Aberrations

This statement does not mean that it would be normally desirable, even if it were politically possible, to have the Congress and the Presidency controlled by opposing parties. Attention is called to the phrase "unusual executive authority" in the preceding paragraph. What we have now is an abnormal situation offsetting the even greater abnormality of the political picture from 1932 to 1946. Everyone who knows how to calculate an average knows also that the curve of a statistical median is made smooth by cancelling out opposing aberrations. And there are abnormalities in political conditions as well as in weather reports and vital statistics.

The New Deal was an abnormal political period from its beginning in the midst of staggering economic depression to its close in the convulsive



How to weld a GALLIMAUFRY*

* gal'li-mau'fry, *n.* A compound of many ingredients, a hodgepodge.

YOU may have to weld a gallimaufry sooner than you think. Why? Because you may not be able to get the specific steels you want. And your problem of joining them presents a metallurgical hodgepodge.

But you *can* weld them—high alloys to low alloys, nickel steels with carbon steels, high sulphur steels, and many others—thanks to P&H Lime Ferritic Electrodes.

Here again P&H experience showed the way. Early in the war, P&H Research Laboratories produced the first Lime Ferritic Electrodes,

first to solve the complex metallurgical problems of welding armor plate.

Today these Lime Ferritic Electrodes are solving hundreds of hodgepodes for those using unfamiliar steels . . . another P&H contribution to the progress of arc welding. Whenever you need help, call on P&H—a leading *user* of arc welding, a leading *maker* of arc welding equipment.



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termination of a terrible world war. The net political result of these factors was to bring a concentration of executive authority heretofore unknown and unimagined in the United States. Under stress of circumstance, executive centralization was indorsed even to the extent of frequent acclamation of President Roosevelt as the "indispensable man," during the 1944 election campaign.

People forgot that this Republic is founded on the assumption that no man is indispensable to its welfare, but that its principles of divided governmental authority are indispensable to the welfare of all men.

To restore validity to these principles it was essential that the concentration of executive authority should be dissolved, and the powers taken from the people restored to them as quickly as possible. To accomplish this, opposition control of Congress was essential, and was effected with the clear vision habitually shown by Americans in any real emergency. Much credit, also, is due to President Truman, who has voluntarily relinquished a large part of his emergency executive powers, and who has handled himself, in a difficult political position, with great personal dignity and with a keen sense of the importance of compromise on all issues where vital principle is not involved.

But the wisdom of the American people in electing a Republican Congress at this juncture, and the wisdom so far shown by President Truman in taking a cooperative attitude toward his political opponents, would not have met the situation unless Congress itself had risen to the challenge. That it has done this well is certainly in part due to the Reorganization Act passed by the preceding Congress, but put into effect by this one in spite of the change in political leadership.

Congress is Streamlined

The significance of the Reorganization Act is not fully explained by noting that it has reduced the number of Senate committees from 33 to 15, and those in the House from 48 to 19, establishing joint committees of both houses for such vital matters as budgetary analysis. As important as this streamlining are the sharper definition of committee jurisdiction, the provision of expert research assistance and the separation of the handling of petty detail from the planning of national policy. From the latter viewpoint the Eightieth Congress is in a better position to act intelligently than any of its recent predecessors. So there is nothing accidental in the fact that it is doing so.

Good party organization is also bringing results. The papers have been full of reports about discord in the Republican leadership. This is to be expected because personal rivalries always

make readable tidbits, especially if possible Presidential nominees or their lieutenants are involved. But the fact, as opposed to the gossip, is that the Republican unity is extraordinarily strong, the more so considering that the majority in Congress has no leadership from the White House or any other single center.

The Democratic Party is also more unified than many anticipated, considering its debacle last November and the deep split between the left and right wings which has developed since the end of the war.

Regardless of party affiliation, all Americans—excepting Communists, who are only nominally Americans—can take pride in the signs that Congress is reestablishing itself as the essential balance wheel of American government.

An intelligent executive and an independent judiciary are also vital for the preservation of our political system. But, unless the representative arm of government is healthy and able to do its work competently, the body politic cannot be considered robust. Already the record of the Eightieth Congress stands out brightly, in a world shadowed by the collapse and disappearance of parliamentary institutions.

A Tough Dilemma

Its most serious test, however, has not yet been met. For in the period immediately ahead Congress must make decisions which will profoundly effect the future of the American Republic.

If the United States is to take over British imperial commitments which that overburdened Empire can no longer sustain, the inevitable long-range effect will be to centralize American government, and to develop federal authority, in a manner contrary to the spirit if not the letter of the Constitution. If the United States does not accept these responsibilities, on the other hand, there is little doubt that Soviet Russia will.

The Eightieth Congress, therefore, may well be called upon to make the fateful decision between maintaining the Republic and developing an American Empire, with all that this implies in the way of Constitutional change. The choice may not be immediately apparent. It was not apparent to most of the colonists of 1747 that they were heading towards independence. But now, as two centuries ago, single decisions will establish fateful trends.

At such a time it is fortunate for America that its national legislative body is of high quality and truly representative. Its responsibility is enormous, and shared by every citizen.



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APPROVED TRUCK ACCESSORIES

A complete line for every truck need.

Triple-checked against the most rigid standards to assure efficient, trouble-free performance.

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INTERNATIONAL Trucks

The Month's Business Highlights

A CRUCIAL period for a private ownership economy lies immediately ahead. Communists are sure our business structure will wreck itself with the violence of its own fluctuations. None disputes that they have put their finger on the weakest feature of our system. It will require the co-operation of leaders in many activities to diminish the impact of changes that now are in the making. The controversy over the Lilienthal nomination was an indication that the battle lines between free enterprise and communism are being more closely joined. Most Americans in the past have regarded communism as something immoral. It now is being recognized as an economic system that is offering competition to free enterprise. The test is which system is the more productive. With all our inefficiencies the record of the war and of the postwar period shows that our system attains production. Communism has yet to measure up to that test.

Farm Troubles Ahead?

Those inclined to look with foreboding on the future expect to see huge agricultural surpluses with crashing commodity and land prices. They anticipate continuing delays in the construction program. They foresee an early end to inventory expansion. If these three developments should materialize, serious trouble might result and another example be provided to which the Communists could point. As yet there are no surpluses of agricultural products hanging over the markets for those important commodities. Prospective agricultural acreage is such, however, that a good crop year in 1947 could result in yields greatly beyond the capacity of this country to absorb. There is no reason to believe, however, that the leadership will not be able to meet that eventuality.

Even standpat isolationists do not want to see American agriculture put in the strait jacket of a market confined to this country. Europe may yet make unexpected progress in agricultural production this year. In that event markets for a part of the American surplus will have to be found elsewhere. Planning for that particular eventuality is going forward.

The hope is expressed, however, that arrangements in the future will be better than recent planning in the handling of relief supplies.

While developments in agriculture will have a

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OF NATION'S BUSINESS

profound effect on what happens to business in 1947, construction also will make its influence felt in a major way. There is no reason to anticipate any discouragement of building. If advantage is taken of the experience since V-J Day, the opposite will be true.

Inventories have reached what ordinarily would be regarded as a normal level. They have been increasing more rapidly than sales but with all the existing scarcities, high-level employment, savings and easy consumer credit, only pessimists would predict an abrupt decline in inventory buying. Instead, the problems probably will be to find enough workers to harvest the crops; to find the materials for construction and to bring about a gradual decline in prices. In the face of sustained and increased rates of production, prices recede reluctantly. No one expects price recessions to follow an even slope. There are certain to be fluctuations. Some inflationary forces still are operating. Acute needs in other countries keep our markets under pressure.


Production in the first quarter of 1947 reached an unexpectedly high level. The industrial index is up 25 points as compared with the first quarter of last year.

The strikes of 1946 account for a portion of this spectacular change, but production really is rolling with the outlook bright for May and June. The full effect of many months of high production is beginning to be felt.

Prices Tend to Stabilize

Indications are that prices will remain relatively stable during the remainder of the year. There will be gyrations and exceptions, but on the average the situation will continue to move gradually from a seller's to a buyer's market. Undue concern seems to have been attached to what were apparently temporary price advances. Demand will continue to be steady and strong. The amount of gold being imported indicates that despite all their troubles war-torn countries still have buying power.

This unexpected influx of gold since the first of the year has an inflationary effect, but there is no reason to believe that it is enough to have any important bearing on the situation. It does demonstrate, however, that foreign demand for our goods is greater than had been estimated. American buyers are withholding purchases wherever possible, waiting on lower prices. Certainly no



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large part of their cash reserves is being used to bid up prices.

Industry is operating on a full-time basis. There is nothing threatening in the attitude of labor. There will be strikes, but their effect will not be felt by the economy as a whole. The rank and file of labor is convinced the time is not propitious for strikes. Most labor leaders feel the same way about it. Workmen do not want to lose their pay and exhaust their strike funds when the odds are against success.



The opinion is being expressed in some quarters that quiet on the labor front is due primarily to fear of legislation. Some feel that labor troubles will break out again as soon as Congress adjourns in July. This is not the generally held view. It is apparent that labor realizes that it must improve its standing with the public. For that reason most unions will not be so shortsighted as to make unreasonable demands just because Congress has gone home. It will be back in January.

While many statistical series must be carried in terms of value, Federal Reserve sources point out that physical volume is the real measure that must be kept to the fore in a period such as the present. Attention is called to the fact that income payments to individuals rose more than 130 per cent from 1939 to 1946, but the advance was less than 70 per cent in terms of what money will buy. That calculation was made before taxes. The figure is much less when tax payments are considered. The value of the average consumer's dollar had become 65 cents. The total production of goods and services which shows a 120 per cent increase over 1939 is in fact only a 50 per cent rise. The 1946 retail sales level of \$96,000,000,000 amounts to \$60,000,000,000 in terms of 1939 dollars.

Much concern has been expressed because of inventory accumulation, but half the increase since V-J Day is price increase and nothing more. Manufacturers' inventories that apparently are double the 1939 total in fact have gone up only 20 per cent. Business men are giving more attention to the deflation of dollar figures. The Federal Reserve industrial index is a record of physical volume, but the economists of that organization are quick to point out that the industrial index does not cover public utilities, agriculture, and service activities. Thousands of unusable houses are awaiting materials. The index does not tell the whole story. Farm marketings in 1946 were three times higher than they were in 1939, but the volume of farm production was up only 25 per cent.



The production index does not separate spare parts from the output of new automobiles. Thus

the index for auto production was boosted in 1946 when there was record output of parts. Exports have an important bearing when the outflow is much greater than imports.

Consideration must be given another point raised by the Federal Reserve economists. National wealth has a bearing on physical production. National wealth has decreased through use of resources, through the deterioration of cities, of roads and transportation equipment. Stockpiles of raw materials have been exhausted. Automobiles, refrigerators, and much of the equipment in the hands of individuals are the worse for wear.



Insistance by John J. McCloy on certain changes in world bank policy has strengthened that institution. He makes it a condition that the bank be run as a business institution and controlled by its international board. He is not willing that it be an instrument of American foreign policy, or that loans be made on any other than a banking basis.

Mr. McCloy admits that the United States has the right to veto a loan in the American market and that the motive for such action should not be questioned. He is determined, however, that the bank's policies in making loans must be guided by its statute and its judgment and not by political considerations.



John Snyder is not spectacular, but he is running the Treasury in a way that is making a favorable impression even in political circles. He scored when he called the British for their failure in their agreement with Argentina to live up to their promises in connection with the loan.

As long as Argentina exports more to the United Kingdom than she takes in imports the violation of the agreement would be only technical. The British, however, had no business to make an agreement that conflicted, even technically, with its pledge to us. Congress cannot be expected to ratify agreements with foreign countries if the executive branch of government is disposed to wink at violations. The importance of the incident to American business is that the government is prepared to protest any expediency that may be undertaken which conflicts in the slightest way with the letter and spirit of solemn agreements. This is more important now than ever as operations of the international bank and the handling of the monetary fund soon will have a direct bearing on American business.



PAUL WOOTON



Mirage on Main Street

A RECENT survey of public opinion indicated that lots of folks have been "seeing" a mirage of railroad profits that weren't there.

Most people thought that 10% would be a fair profit for railroads—nine out of ten said 6% or more would be fair. But the fact is that the railroads don't come out anywhere near that well.

In the years since 1938—four of them war years of tremendous traffic—the railroads earned an average of only 4% per year on their net investment in tracks, cars, engines, shops, stations and all

the things it takes to produce the rail service which the nation needs.

In 1946—with wages and prices of material and fuel up more than 50% above prewar levels—railroads still hauled freight at prewar rates. Even with a slight increase in rates during the latter half of the year, their earnings on net investment dropped to an average of only 2¾%. Some railroads earned more, but others showed no profit at all—were, indeed, in the red for the year of the heaviest peacetime traffic in history.

At the end of 1946, the Interstate

Commerce Commission authorized higher freight rates to become effective in 1947. These increases will help the railroads to meet their rising costs, and will give them a better chance to improve their equipment, roadways and other facilities—improvements necessary for continually better service to the public.

But even with these increases, in 1947 railroads will probably average little more than 3% on their investments—just about half the 6% which is as little as anyone would consider a fair profit.

ASSOCIATION OF **AMERICAN RAILROADS** WASHINGTON 6, D. C.



IN PARTNERSHIP WITH ALL AMERICA

Washington Scenes

THE Republicans have reached the point where they must deliver. All that has taken place so far—the oratory, the promising, the endless party huddles—has been prologue. Now the time has come to convert promise into performance. Now, as the shrewd Vandenberg has said, we will see whether the GOP majority in Congress has the fortitude to vote as it has talked.

The two great tasks facing this Eightieth Congress—writing a new national labor policy and the threefold job of slashing the budget, reducing the debt, and cutting taxes—are both difficult.

Of the two, however, the budget-debt-tax issue is the thornier.

The Battle of the Budget involves not merely a fiscal question but a philosophy. It is the New Deal philosophy of Big Government and paternalism. Therefore, what happens now will determine to what extent that philosophy is to endure.

Uncle Sam an Indian Giver

The issue has been best summed up by Sen. Harry F. Byrd, a Virginia Democrat, who yields to no Republican in his hatred of Big Government and reckless spending. Listen to him as he tells the Senate:

"In recent years the average citizen of America has been influenced to hold the belief that a grant from Uncle Sam is a gift. The people think of the Government as a third party, when, in fact, we ourselves are the Government. Its wealth is only the collective wealth of all the people. If our democracy is to survive, the people must support the Government and not the Government the people. . . .

"During the '30's and the war period the Government intervened in one area after another in our economic life. The present executive budget assumes the continuance of that philosophy. With it goes a tax system so onerous that it becomes, in effect, the instrument of socialization by which wealth is redistributed, and by which those who rise above the crowd are cut back to the level of mediocrity.

"It is time we made an abrupt change in that philosophy. What we do about the present budget is a test of how clearly we see this problem and of America's ability to resist the world-wide forces of government dictation and collectivism."

Since the Eightieth Congress is conservative, and therefore anti-New Deal, one would expect overwhelming approval of Byrd's argument.

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There is, in principle. But lawmakers have a cynical habit of rising above principle when their own political hides are at stake.

Here are a few reasons why Washington observers keep their fingers crossed in the face of all the glittering promises that have been coming from

Capitol Hill in a virtually endless stream.

Never in history has Congress succeeded in lowering substantially the budget submitted by the Executive.

Only a handful of senators and representatives are really familiar with federal budget-making. The blunt-spoken Taft has admitted as much, saying that "most of us in Congress don't know much about it."

The economy pledges actually made by Congress—the House vote to cut the Truman budget by \$6,000,000,000 and the Senate vote to cut it by \$4,500,000,000—are not binding, even morally. In the debate, Taft said frankly that any figure that might be set was only a "pious hope." Vandenberg said it was a "gigantic speculation." And Tydings, grinning, said it was "a New Year's resolution which we may break on the second day of January."

The hard fact is that no savings have been effected as yet except in the "Expenditures Slashed" headlines. The business of cutting, in fact, has only begun. Savings are achieved, not by adopting resolutions that hit the headlines, but by sweating them out of the 11 or so appropriation bills, item by item.

Here we come to the great difference between talking about economy in the abstract and the pain of voting against items that the folks back home may want.

For example, nearly all members favor reducing the number of federal workers. When they talk about it, however, they have in mind the "army" of workers in the District of Columbia, where there is no vote. As Senator Byrd has pointed out, however, 90 per cent of all federal workers are outside of Washington.

Economy is Hard to Vote

Will the lawmakers have the fortitude to vote to eliminate federal jobs in their own states, cities, and towns?

And what about such vote-getters as appropriations for highways, airports and other public



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works; benefits for farmers; flood control and rivers and harbors projects; irrigation and reclamation in the West; rural electrification and school lunches? Always in the past it has been politically advantageous to vote for such items.

Some of those who have cried loudest for economy have, at the same time, criticized President Truman for cutting particular budget items. It is a case of their own political oxen being gored. Farm-bloc Republicans, for example, are angry because Mr. Truman cut \$100,000,000 from the \$300,000,000 proposed for soil conservation.

In many instances, the blame for higher government costs goes, not to the Executive, but to Congress. A case in point is the pay of soldiers and sailors. Senator Byrd has observed that it now costs two and a half times as much to maintain a member of the armed forces as it did in 1940—\$3,100 a year for the pay and subsistence of each soldier and sailor, as compared to \$1,386 before Pearl Harbor.

One of the chief reasons is that the last Congress raised postwar pay in the armed forces. Politics had a lot to do with it. The 1946 election was coming up, and the lawmakers, Republicans and Democrats, were afraid of continuing the draft. They, therefore, voted for pay increases, hoping that these would encourage voluntary enlistments and make the draft unnecessary.

The amount asked now for the Army and Navy—\$11,200,000,000—is twice as much as the cost of the whole federal Government in the early 1930's. It is 11 times more than the cost of our national defense the year before Pearl Harbor, and nearly half the total cost of World War I.

One of the country's foremost military experts had some brutal things to say about this recently. He had to talk off the record. But one of these days he will speak out, and when he does it will be a good thing for the country.

He said flatly that nobody could expect the American taxpayers to put up with such a terrific budget for the armed forces, year after year. He said it was outrageous. And the worst part of it, he continued, is that the taxpayers are not getting their money's worth, because the U. S. Army, as now constituted, is not only extravagant but inefficient and ineffective. It is scattered all over the world; it has no hard core, no reserve strength.

"The fact is," he said, "you can't buy an army."

He went on to explain that the United States never will have an adequate army until it adopts universal military training and puts the whole matter on a basis of duty to country. Something more than 1,000,000 American youngsters would then be trained every year. Once the program was well under way, the country would always have a potential reserve of at least 4,000,000 trained men.

But, of course, that requires legislative action;

and legislative action of that kind, in turn, requires courage—a brand of courage that is none too evident in American politics today.



OF NATION'S BUSINESS

Meantime, there is some fantastic thinking in connection with the purpose of our military strength. One well-known senator, asked why he favored cutting the Army and Navy, replied: "I have been told on good authority that we are no longer afraid of Russia."

This, of course, overlooks the relationship between military power and foreign policy.

An America with feeble arms would be an America with feeble diplomacy. The purpose of maintaining American military power in this stage of history is not simply to ward off a Russian attack, but to back up Secretary of State Marshall at the peace table and discourage Russian expansionism.

The whole "democratic frontier" in Europe is endangered by this Russian imperialistic urge. The shadow of the bear hangs over Greece and Turkey, the oil lands of Arabia, and the whole area of the Middle East to the frontiers of India. Russia, as Churchill warned at Fulton a year ago, has respect only for strength. Unfortunately, her urge to expand coincides with a tragic period for Great Britain. The only strength that remains to command Russia's respect is our own.

All of which explains why the Battle of the Budget makes the writing of a new national labor policy seem easy by comparison.

The most notable aspect of the latter task has been the poor impression made by labor spokesmen in testifying on Capitol Hill. Senators and representatives have been astonished at the attitude of these spokesmen; at their unwillingness to admit the need of reforms and their seeming unawareness of the change in public opinion.

For their part, the labor leaders also must have been astonished. They discovered that the lawmakers no longer were in awe of them. Their warnings against "hysteria" and "shackling labor" left the members undisturbed. Worse, they found that some of their most ardent champions of the past were deserting them—men like the liberal Sen. Wayne Morse, for example. Morse gave them the biggest shock of all, saying that, if he had to make his choice between no labor legislation and legislation that went too far, then he would vote for "legislation which goes too far."

Like many another politician, Morse must have discovered that labor spokesmen do not always speak for the rank and file of labor.

EDWARD T. FOLLIARD



How to cure gift-buying headaches...

PERMANENTLY

PERHAPS you are one of those busy executives who can cope promptly and efficiently with run-of-the-mine business problems...but are utterly confounded when there are gifts to buy—for daughter, wife, wedding presents.

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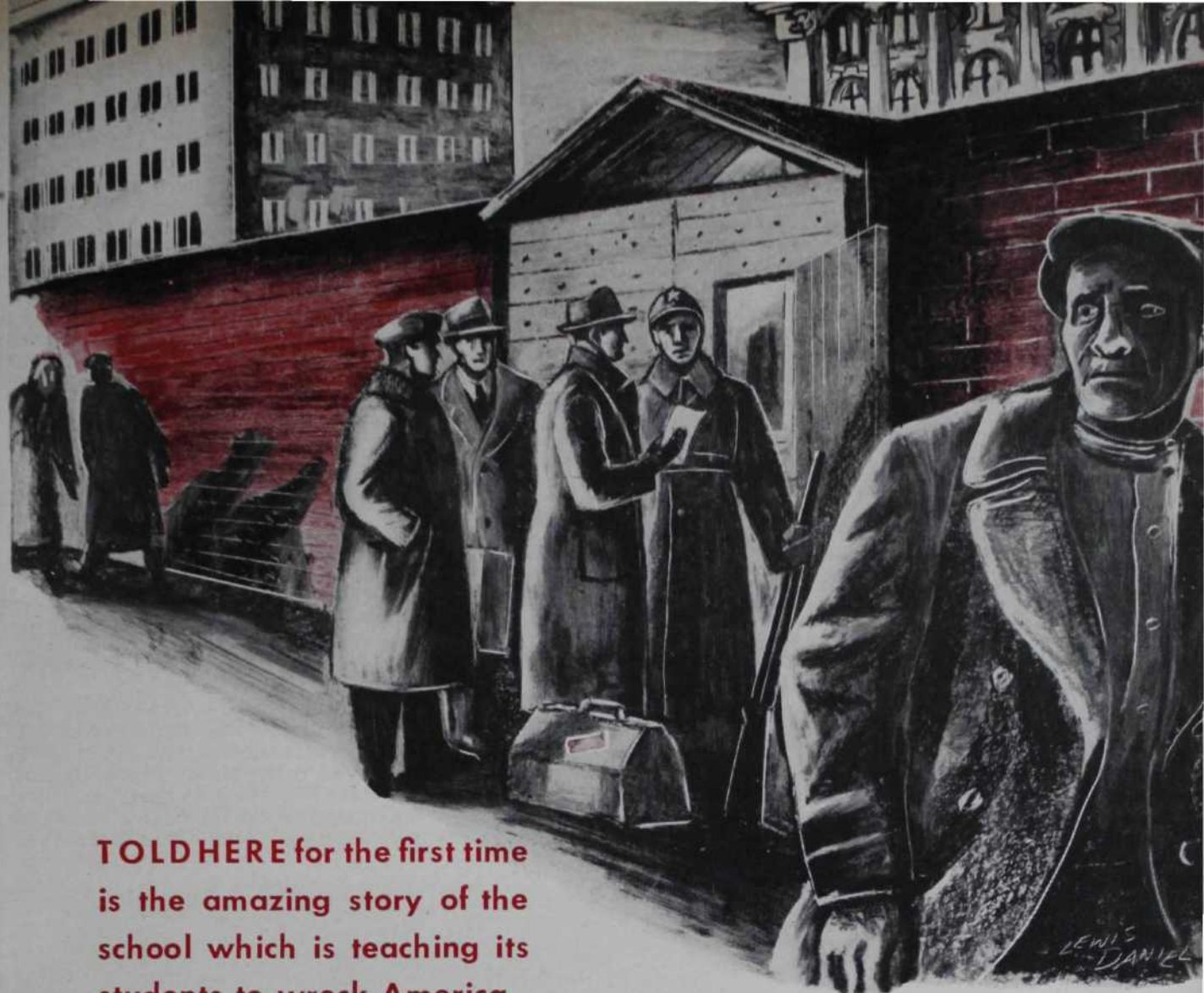
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NATION'S BUSINESS for April, 1947



**TOLD HERE for the first time
is the amazing story of the
school which is teaching its
students to wreck America**

Trained to Raise Hell in America

By JUNIUS B. WOOD

ATENTION, ambitious young men and women! A well-established and liberally endowed university offers you free courses in factory sabotage, bomb making, kidnapping, train wrecking, bank robbery, fomenting armed mutiny—and other techniques of violence and treason.

Scholarships cover all expenses, including recreation and annual vacations at summer resorts.

This university is the West Point of world revolution.

That it exists is surprising. That it is sanctioned and supported, according to its graduates, by a recognized government, is more amazing.

Other state-supported schools educate their youth to become better citizens. This university teaches youth of other lands to go back home and wreck their countries.

Over the years it has trained and returned to the United States an estimated 800 disloyal Americans. They are the leaven of some 50,000 Communists and 100,000 pinkos in our land; they are the high officers of a secret army now being drilled to overthrow our Government and social order.

Most startling of all, from an American point of view, is the diplomatic amiability which bolsters and bows to a government that is diligently working to wreck our institutions.

This university is the Interna-

tional Lenin School in Moscow. Conspiracy and secrecy are the essence of all it teaches. Outside of top levels in the Communist party and in the Soviet Government, few even in Moscow know of its existence.

It is behind a stucco-covered brick wall, high enough to baffle prying eyes. It is on the left side of Vorovskaya Ulitza (street), a few blocks beyond Arbat Ploschad (square of the telegas). Oldtimers, before adopting names of Communist heroes became the vogue, knew the thoroughfare as Povarskaya Ulitza (Cook Street). Even earlier, in 1613, Arbat Ploschad was where a Russian volunteer army under Prince Pozharsky and a

Nishni Novogorod (now Gorki) tradesman broke through the defenses of the White city and drove the Polish invaders from the Kremlin.

In olden days this was the genteel neighborhood of court attendants. Later, the aristocracy found it convenient for extramarital ventures. Now it is dotted with diplomatic offices and homes. Students can look across the street from dormitory windows at the former British mission building, now a consulate, at the one-time German embassy and the official abodes of other capitalist countries.

The present site of higher education in bank robbery—rechristened “revolutionary self-help”—and kindred arts was once the quiet love nest of a Russian prince. His lady friend’s little palace in the spacious grounds has been remodeled into the students’ auditorium, classrooms and dormitories. It faces a plain, unnumbered gate in the wall, guarded 24 hours a day by a Red sentry so none may enter without a Communist identification card.

More buildings were needed for the growing school. Overlooking the wall is a structure in modern Soviet architecture with classrooms on the lower floors and

sleeping quarters on the others. Back of the modest palace is a building for political police and secret paraphernalia, to which even students do not have free entrance. In the rear of the school building is a larger one with halls for demonstrations in street fighting and other activities. A smaller administration building is near the center of the campus, still leaving ample space for outdoor exercises away from inquisitive eyes.

Siberia awaits the curious

NATIVE Russians have learned that the reward for curiosity may be an extended visit to Siberia or an appearance before a firing squad. Patrons of the school admit that the Japanese did photograph the establishment and from within the compound. This was considered an act of treachery (the two countries being friends at the time) which was not discovered until a Soviet spy fraternally stole a copy from Japan’s secret files.

When a stranger asks any Muscovite in the know about the Lenin School, the prearranged reply always is:

“It’s up Tverskaya Ulitsa, off the square with the Moscow Soviet

Building,” meaning the city hall. This college with so similar a name is the Lenin Institute. Its field is scholarly and theoretical, shouldering the big task of compiling biographies of Marx and Lenin which will account for their acts during every day and hour of their lives.

The International Lenin School started with Nikolai Bukharin, party doctrinarian, as its first director. Lenin passed into posthumous fame, and Bukharin did not survive the Stalin purges, but the school grew. War temporarily interrupted plans for expansion as well as the flow of students from other countries.

The school has a permanent faculty, mostly from the Academy of Red Professors, and a director, at one time a woman. Highlights of the Soviet hierarchy, past and present—Stalin, Trotzky, Kuusinen, Molotov, Manuisky, Yaroslavsky, Lazovsky, Budenny and others—serve as guest lecturers.

Students are immediately inducted into the air of conspiracy in which these veterans have lived. With matriculation, each student takes a revolutionary or party name by which he will be known in Communist circles and outside ac-



The insurrectionists are taught in detail how to subdue the police, wreck trains, and cut communications

tivities. Mark Aldanov in "The Fifth Seal" tells of a party worker who had so many aliases that he forgot his baptismal name.

Even party workers not in the top Holy of Holies speculate over the identity of Josef Broz Tito, belligerent dictator of Yugoslavia. They explain that Tito is a party label from "Third International Terrorist Organization," the initials being the same in Slavic and English. They surmise from his photographs that Tito may be Rudolph Baker, a promising American student of Slav ancestry who was detailed to district organizing after his return to the United States and then mysteriously disappeared.

Dual names as party labels are not limited to students. The old-timers needed them as revolutionists, and aliases are now a stylish party custom. Among the emissaries sent by Moscow to run party affairs in the United States, the Hungarian Pogany was "John Pepper" and "Schwartz"; the late Gussev was "P. Green"; Alpi was "Fred Brown," and the Finn Sirola was plain "Miller."

With his rebirth under a new name, the student gets more instructions in life behavior. He must blindly obey every order. He may

associate outside with the unfaithful but not disclose that he is a Communist, must not dress or act conspicuously, be photographed, answer questions or become talkative from drinking. If positively identified as a Communist, he shall frankly admit it but under no circumstances, even if it means imprisonment or death, disclose anything about the party.

Warned against U. S. contacts

THE first business of any meeting, even casually on the street, is to agree on a fictitious story of what is being discussed to avoid disclosing the truth if interrupted later. Students should not recognize each other off the campus or cultivate fellow countrymen, Americans being warned particularly against American engineers, newspapermen, tourists and government employes in Moscow.

The freshman student is already familiar with some tricks of deception. In the United States, he got a passport on the pretext of sight-seeing in Europe. If he used a false name, the American party which paid his expenses to Moscow, corroborated his "legend," or fake biography. In the school, the politi-

cal police can supply a forged identification for any country.

Unless unusually naive, the student senses that permission to be off the campus until 11 P.M., is to enable the police to check on his actions and acquaintances. He learns that they watch his political "progress" or "deterioration" and control him as they do every Russian. He is now dependent on the Russian party and Soviet Government for existence.

He is instructed to be peaceful and disingenuous with authorities pending the day of revolution. Instead of avoiding military, police or other law enforcement service in his own country, the graduate must welcome it. These are not only choice fields for spreading Communist doctrine among associates, but the military will supplement the school's instruction in tactics and weapons. A surprising story is told of the recent war:

"Today, I'll start your lessons on dismantling and assembling a machine gun," an American captain told a likely appearing enlisted man. The officer started to take the gun apart.

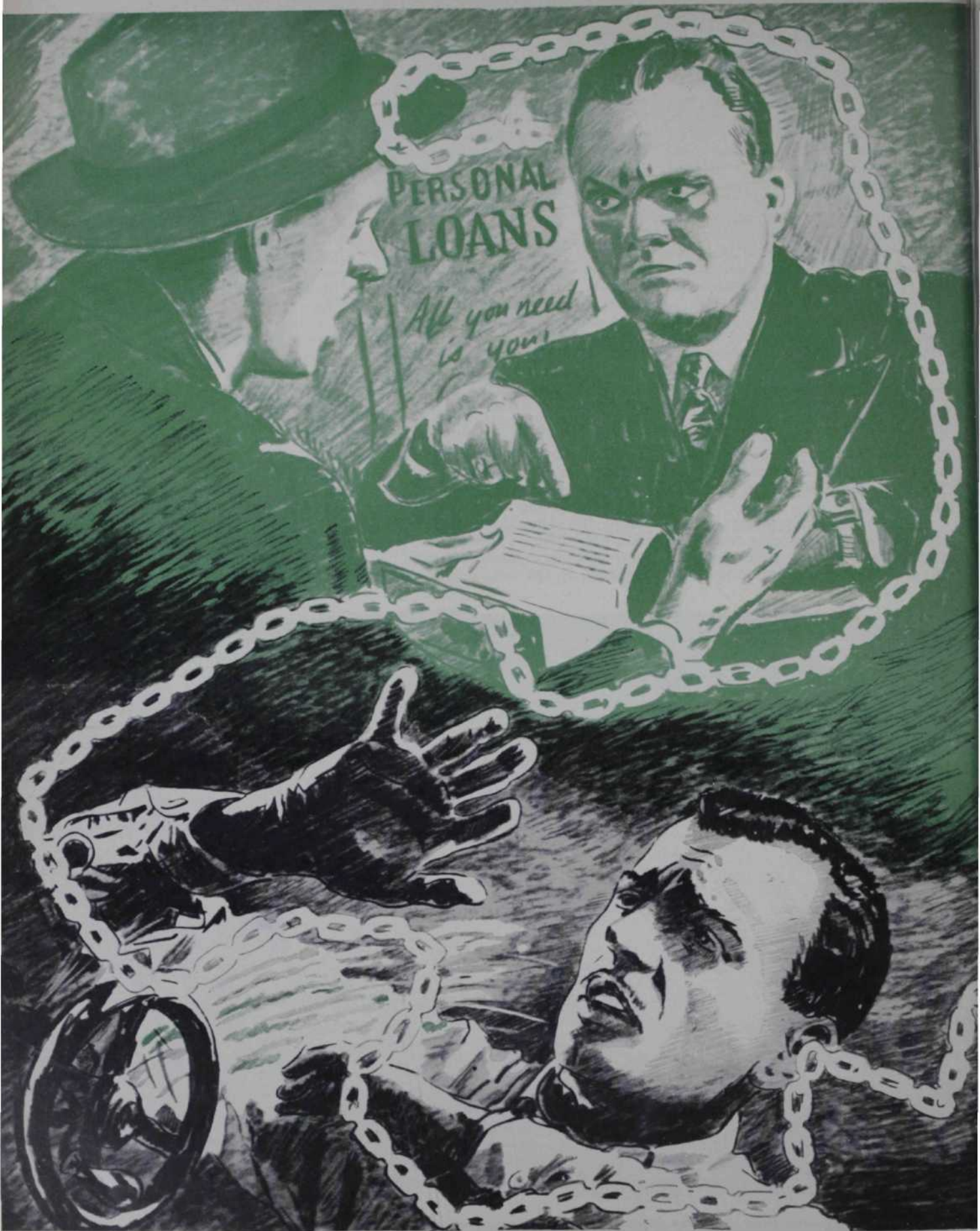
"Let me try," the soldier suggested. In a few minutes, he had the

(Continued on page 58)



LEWIS DANIEL

They figure that, with their carefully worked-out plans in operation, they could capture a large city in 48 hours



PERSONAL
LOANS

*All you need
is you!*

Some Folks Have All the Accidents

By LAWRENCE GALTON

ACCIDENTS, everybody has been saying for a long time, can be prevented. All you need, they've been saying, too, are non-skid floors in the plant, guards on the machines, and caution signs on the walls.

It sounds good—until you run up against Mary Jones.

In five years at a big New Jersey plant of a large and progressive industrial company, Mary had an average of 16 accidents a year. Every other worker doing exactly the same kind of job had no trouble. Mary had it all.

Finally Mary became the subject of an intensive investigation. Out of it came an interesting lead. Quick-tempered herself, Mary was the offspring of an equally hot-headed and argumentative father. The two clashed frequently. In five

worked for a large railroad. No matter in what position he was put, Bill almost immediately would have an accident. Even changed from one department to another, his accident record continued.

Finally, in desperation, he was given a job which any 14 year old could do; he was placed as a helper for a night watchman in a steam plant. But after just one night's work, when he was chopping wood to help the watchman, a piece of wood flew up and Bill lost an eye.

Bill was interviewed. "Look," he was told, "you have two brothers working for this company. They never have accidents. You come from the same parents, you've had the same training. What's wrong?"

There wasn't a thing physically wrong. It took an examination of

Both Mary Jones and Bill King had one thing in common. The source of danger for them, the cause of their accidents, was not in the plant itself. No safety engineer, however conscientious, could have aided either by placards and safety meetings.

They were both emotionally sick—sick enough to cause accidents, even if not sick enough to visit a doctor or to go to a hospital for observation.

What this adds up to—and in recent years it's been adding up more and more, as hundreds of such cases have been discovered—is a significant new factor in the safety picture, a basic and hitherto overlooked cause of the accidents which annually kill 17,500 workers, cause 1,800,000 non-fatal injuries, cost about \$2,300,000,000 and, in some industries, amount to 30 per cent of payrolls.

The factor is that a certain few people cause most of the accidents. They are accident-prone—overly susceptible to accidents because of mental and emotional causes.

"Worry and fretting," says Dr. A. J. Lanza, former chief of the Occupational Division of the Office of the Army Surgeon General who supervised the health of workers in thousands of war plants, "are a prolific source of occupational injuries. Eighty per cent of all accidents involve some fault of human behavior."

"A very great share of all accidents," claims Dr. Herbert J. Stack, director of New York University's Center for Safety Education, "are due not to physical hazards in the plant or in the process but to psychological causes."

"No worker," declares Dr. Lydia G. Giberson, industrial psychiatrist, "ceases to be parent, or lover, or dreamer, or hater, or craven merely because he dons a pair of overalls. There is more connection

◀ MISHAPS CAST their shadows before them.

Safety engineers are finding that there is a close connection between unhappy home life, worry, emotional upsets—and broken bones

years, Mary had left home and returned a dozen times.

When the management suggested to Mary that the cause of her accidents might be her home life and that she'd have to settle her personal affairs or find another job, Mary took a drastic step. She left home for good, set herself up in an apartment of her own. She hasn't had an accident since.

The funny thing about Mary Jones is that she isn't singular—not in having all those accidents nor in the emotional reason behind them. There are many Mary Joneses and as many Bill Kings.

Bill King was a young man who

his home environment before Bill's trouble became evident. Just as he had reported, he was happily married, he loved his wife and she loved him. But there was one worry.

When he had married, Bill had borrowed \$100 from a loan shark. Although more than the hundred had been paid back, another hundred had mounted in interest. He just couldn't seem to pay off.

One of the company lawyers went around and talked forcefully to the loan shark. The obligations were canceled. From then on, Bill settled down. It's been several years since this happened. He hasn't had an accident since.

between a grocer's bill and a broken leg than the average industrialist's philosophy may yet have dreamed of. Emotional troubles cause nine out of ten industrial accidents."

The evidence that there are certain people prone to have accidents began accumulating at least as far back as 1929 when a study of accidents was made in a large mid-western railway company. Thirty per cent of the employees were found to have been involved in 44 per cent of all accidents reported.

Some years ago, four large utilities, trying to reduce accidents, tested their truck drivers for reaction time and coordination but could find nothing to explain why certain drivers had repeated accidents. Finally, the men with heavy accident records were shifted to other work and immediately truck accidents were sizably reduced. But the shifted drivers all went through a series of accidents within the plant. They were accident-prone.

Another study in Connecticut was concerned with 5,000 automobile drivers. The study showed that a bare six per cent of the drivers

had contributed some 72 per cent of the accidents. They were constant repeaters.

Along with the evidence that there are such susceptible people, other evidence has been accumulating that accident-proneness is the result of mental or psychological causes.

One of the earliest and most fascinating bits of research was done in a New York hospital—and, curiously enough, the investigation started out with a completely different purpose in mind.

Doctors have long known that when an individual undergoes fear, his body makes a significant response. More red corpuscles appear in the blood, circulation changes, and extra sugar and adrenalin are present. All this is to help the individual meet the emergency—to flee or fight. But doctors have known, too, that if the individual doesn't use up these extra tools, if he doesn't flee or fight, then the whole balance of the body can be thrown out of kilter and, in fact, the disturbance may even cause dyspepsia or asthma.

A few years ago, medical researchers decided to find out

whether not only dyspepsia and asthma but even heart disease and diabetes might be caused by such processes.

To make their study, they needed a control group—patients whose illnesses couldn't possibly have been caused by emotion. So they chose fracture cases. Certainly, they thought, nobody ever broke his leg because he had too much adrenalin in his system.

The study was to last for ten years but almost at once some astounding facts emerged. The fracture cases almost all showed a history of emotional shock just before the accident which caused hospitalization. Moreover, their past histories showed that in every previous emotional crisis in their lives, these patients had had accidents.

The record showed that nearly three fourths of the fracture cases had had two or more previous accidents. One man had had 27.

Looking for accidents

THE conclusion was inevitable: 90 per cent of the fractures probably would never have happened if the patients hadn't been unconsciously looking for an accident at the time.

No less startling was the evidence that came very recently from one of our largest financial institutions. The company was putting on a safety drive within its own office building. During the drive, a list was made of the 100 people who had had the most accidents. Many of the 100 had had at least three accidents within a year, some had had more than five.

The list was then sent to the consulting psychiatrist. Sure enough, records showed that every person on the list who had had three or more accidents was known to the psychiatrist because of nervousness and emotional upset.

All told, the evidence today on the accident-prone factor in industrial safety and, for that matter, in off-the-job safety is overwhelming.

"A revolutionary development," safety engineers of both insurance and industrial companies call it. "It is," one told me, "the big third cycle in the development of industrial safety practices."

"The first cycle was the mechanical with emphasis on machine safeguards. If you put a guard on a machine, a man couldn't hurt himself. That was the theory."

"The second cycle was educational. The concept was that safety

(Continued on page 64)



Once an accident-prone individual is recognized, much can be done by placement and training to keep that person from getting injured

Business Comes to Washington

THE 35th Annual Meeting of the Chamber of Commerce of the United States will be held in Washington, April 28 to May 1.

The Nation's Capital has long been a favorite meeting place of the country's business and industrial leaders, but for the past six years the Chamber's Annual Meeting has been crowded out of Washington by the war and by a shortage of hotel rooms. Though Washington is still busy, plenty of good hotel rooms are now available.

Because of the many new problems facing America today and affecting our whole economic and social life, this year's Annual Meeting will be one of the most important gatherings of its kind ever held. It also promises to be the biggest, judging from the interest expressed in the program.

Representatives from every phase of commerce and industry, from commercial organizations in every section, and from trade associations in every field will attend.

The general theme of the 35th Annual Meeting will be "Paths to Freedom and Plenty." The aim of the meeting will be to put into effect, in the public interest, the rallying call of Daniel Webster:

"Let us develop the resources of our land, call forth its powers, build up its institutions, promote all its great interests, and see whether we also, in our day and generation, may not perform something worthy to be remembered."

This quotation, incidentally, is carved on the frieze of the court in the National Chamber's building where the meeting will be held.

Out of the discussions and deliberations of the meeting will come the policies which will guide organized business in dealing with national and international issues in the year ahead.

The program is still in the making, but the list of speakers already includes nationally known leaders in both business and government, and top-ranking authorities on economic and world problems.



Some of the principal subjects to be analyzed and discussed are:

America's Course in World Politics
Our Armed Strength and Safety
What about Housing?

Reducing the National Debt
Control of Federal Expenditures
A Sound Tax System

The Government's Place in Labor-Management Relations

The Role of Collective Bargaining
Industrial Relations Today

The Farm Program of the Future
Practices that Interfere with Successful and Harmonious Conduct of Labor Relations

In addition to the general sessions, at least two of which will feature panel discussions, there will be group luncheon meetings devoted to such subjects as Foreign Commerce, Transportation, Financing of Education, Domestic Distribution, Fiscal Problems, Mitigating Business Fluctuations, Natural Resources.

On the lighter side, the meeting will feature some of the best entertainment available.

Special events include:

1. Organization Day, Monday, April 28—This one-day institute for local chamber of commerce officers and executives will be given over to reporting and studying new trends and developments in local chamber of commerce work, ex-

changing ideas, and evaluating the effectiveness of new programs and projects.

2. State Night, Monday evening, April 28—On this evening, those attending the Annual Meeting will have an opportunity to meet together in groups according to the states in which they live. Each group will have its own State Congressional Dinner at which the senators and representatives from that state or section will be guests of honor.

3. Organization Night, Tuesday evening, April 29—

An evening, not wholly of business but also of fun and good fellowship. It will be an occasion on which everyone interested in organized business will get together to hear a top-notch speaker on a current hot issue, to listen to some good music, to see some fine entertainment—and to help the National Chamber honor its organization members and their associations: American Trade Association Executives and the National Association of Commercial Organization Secretaries.

4. Annual Dinner, Thursday evening, May 1—The Annual Dinner has always been the top event of the Chamber's Annual Meeting. This year every effort is being made to make it more important, more colorful and more delightful than ever before.

5. Women's Program, Wednesday, April 30—Though all the sessions, including the luncheons, are open to the ladies, a special program is planned for them. This will include a luncheon meeting, to be followed by a discussion session in which prominent women of official Washington, as well as outstanding business and professional women, will take part. The day's activities will close with the traditional tea at which Mrs. William K. Jackson, wife of the President of the Chamber, will be the hostess.

Washington is at its best in the early spring. Many business men are planning to bring their families.



Radio is but one of the many outlets used for disseminating governmental information

MILLIONS of words roll out of federal government offices every year to find their way into virtually every home, school, business institution, and other organization in the land. Some are invited. Some are sent with the purpose of informing and influencing citizens.

The job of distributing this "government information" is one of the biggest in the Government. It is also one of the most controversial.

No accurate estimate is available, but an unofficial survey indicates that these informational activities cost more than \$100,000,000 a year. Included in this estimate are salaries of officials, economists, special writers, and press agents—the Government calls them "information specialists"—who write the material.

It does not include salaries paid to stenographers, clerks, printers, and others engaged in the physical preparation of the material, or outlays for paper, ink and the expense of distribution.

There is scarcely a government agency which is not disseminating information.

Many of the present-day activities blossomed under President Franklin D. Roosevelt. To help "sell" its social, economic and political policies, the Roosevelt Administration employed scores of newspapermen and publicists in a campaign that dwarfed all previous governmental activities of this kind.

The work of these men drew bitter criticism from New Deal foes. They charged that the Government's informational activities were converted into a propaganda campaign to sell Americans on an "un-American planned economy" and "Communism" as well as "regimentation." The charges were, of course, denied.

But now that the Republicans have pledged a reduction in government spending, one of the activities likely to feel the "economy ax" is the informational setup.

To an impartial critic who desires neither to criticize nor to defend, it appears that economies in this field will be less simple than may appear at first glance. The government agencies are ready and

Someone

By OVID A. MARTIN

CUTTING the Government's costly informational setup isn't easy. Every job meets somebody's needs

eager to defend their services—as the Department of Agriculture demonstrates.

This Department, chosen here as an example because it tops all other agencies in the quantity of material disseminated, distributes a great mass of agricultural statistics, economic analyses, reports, bulletins, press and radio releases, radio scripts, motion pictures and posters pertaining to all phases of farming, agricultural marketing, scientific research and homemaking.

Defending these activities, the Department points out that most of them are the direct results of acts of Congress.

Information on agriculture

THE law establishing the Department directed it to "acquire and diffuse among the people of the United States useful information on subjects connected with agriculture in the most general and comprehensive sense of the term."

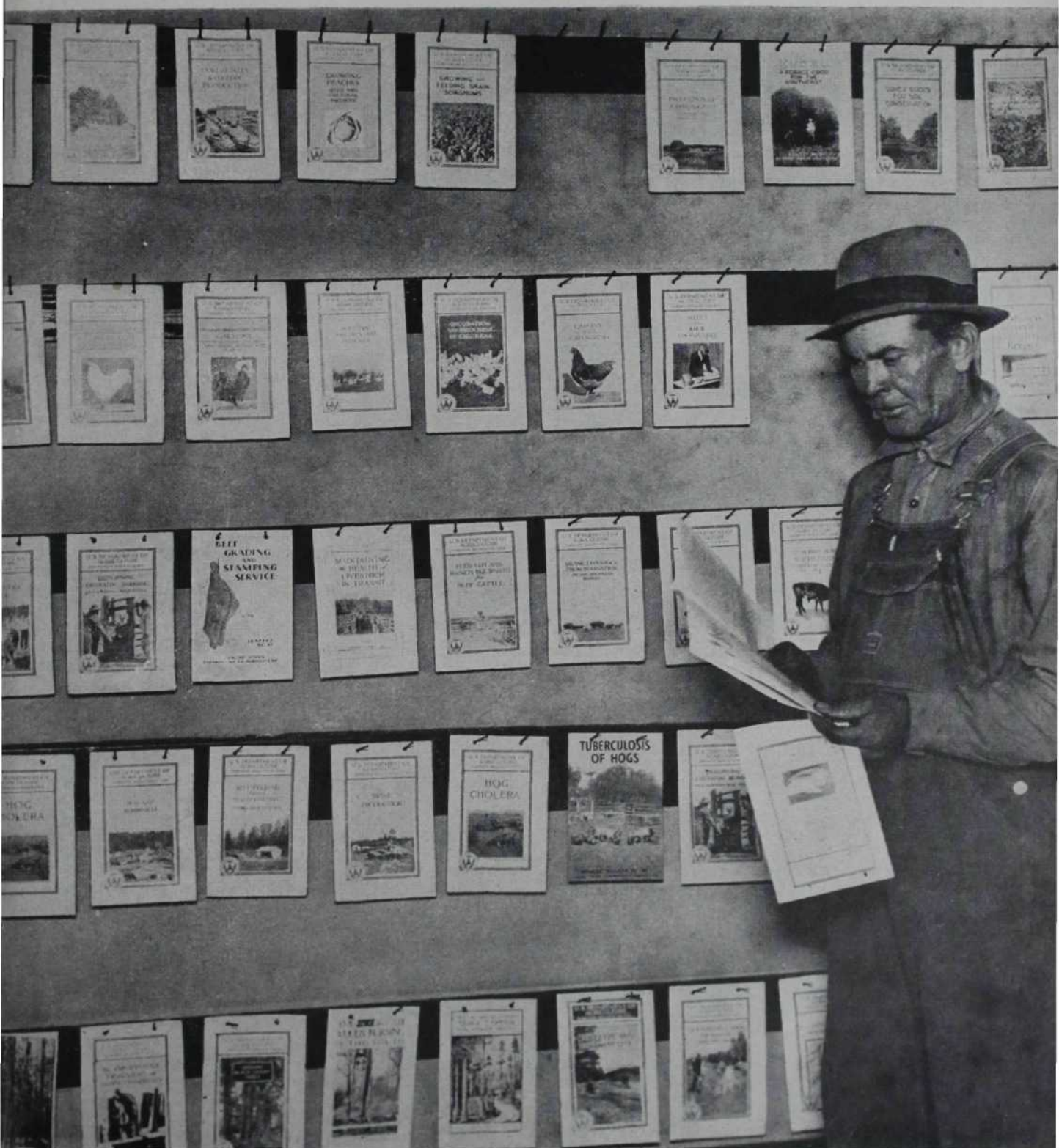
Congress has instructed the Department to help the farmer with his problems of production, marketing, land tenure and utilization, and of organization. It is also responsible for protecting the nation's meat supply from disease and improving the quality of our food.

The Department is obliged to watch farm production at home and abroad and to pass the facts along to farmers so that they may produce the right crops in the right quantities and proportions. As an aid to marketing, it is authorized to provide commodity grading and inspection services. It has the responsibility of regulating trading on the nation's great commodity exchanges to prevent price manipulations.

The Department is the guardian of the nation's forestry resources. Its scientists seek new uses for farm products and better ways of combating insect pests and plant and animal diseases. Its home economists have supplied housewives with much valuable information on the preservation of foods and on the purchase of clothing, textiles and household equipment.

It offers farmers insurance designed to protect them against crop losses from storms, floods, freezes, insects and other natural hazards. It directs the Government's program for extending electrical power to rural areas. It plans agricultural production and marketing. It removes price-depressing

Asked Them to Do It



More than 700 Department of Agriculture bulletins on various phases of farm life are available to the farmer
NATION'S BUSINESS for April, 1947

U. S. D. A. PHOTO BY ACKERMAN



Department of Agriculture representatives check market prices of farm products, and send out the information by press, radio, mail

U. S. D. A. PHOTO BY FORESTHE



The monthly crop report covers such material as crop production and harvest forecasts. It is released to newspapermen in Washington



U. S. D. A. PHOTO BY KILLIAN

The information contained in the report is considered "hot," and reporters waste little time in phoning the news to their offices

surpluses from the market to protect farm prices and income. It pays subsidies to farmers for complying with government soil conservation and farm production directives.

To carry out these activities, it is essential, Department officials say, to distribute informational material. They point out that this work did not spring up full-grown in recent years. It started in 1836 with the creation, within the Government Patent Office, of what later became the Department of Agriculture.

Because patents granted at that time were largely in the field of agriculture—then the young nation's principal economic activity—the Patent Office began to distribute seeds gathered in other countries and to collect agricultural statistics.

Long period of growth

BUT history shows that George Washington was one of the first persons in public position to advocate government dissemination of agricultural information. In his last message to Congress, the first President urged aid to agriculture in the form of "boards (composed of proper characters) charged with collecting and diffusing information."

The Department was established as a separate agency under President Lincoln and became a department with Cabinet rank in 1889.

A friendly historian has written that "at no time in its history could an observer survey the Department and show that it had sprung full-grown from the brow of the bureaucrat. . . . Its work was expanded by congressional authorization at successive periods, often because different groups of citizens demanded that something be done about something in the field of agriculture, and it seemed best that the federal Government do it."

In the nation's early days, agriculture was largely on a self-sufficiency basis. Each farm produced about all the things its operator and his family required. Farmers felt they needed neither elaborate tools nor scientific aid.

But along came Cyrus McCormick's harvester in 1831 and John Deere's all-steel plow in 1837 to touch off a technological revolution in agriculture which is still in progress. This revolution began to increase agriculture's productivity, creating economic problems of

(Continued on page 78)



PAUL HOFFMASTER

Henry Jones struck the overseer with an ax

A Legal Key to Davy Jones' Locker

By HERBERT COREY

A FORGOTTEN murder provides a background for our announced right to seek oil in the Gulf of Mexico

THIS PERFECTLY cockeyed story begins with a murder. It will end with the Jules Verne drilling of what is presumably one of the richest oil fields on earth.

Along the way it will sideswipe an island which became a ship, 1,000,000 tons of guano, the Haitian navy, a bloody ax, the United States Supreme Court. And, the word "appertain."

Let's go to the island:

In 1804, when the Haitians, finally tired of liberty, fraternity and equality, kicked out their French masters, Navassa Island was one of several hot little stubs of rock in the Caribbean Sea which fell into Haitian hands. It was about 70 miles off the Haitian coast. It was two miles long by one and three quarters miles wide, about 300 feet above the sea at the

highest point and had no water, no shade, no soil. The most that could be said of it was that it was a menace to navigation.

Then, July 1, 1857, one Peter Duncan, a roving Yankee, discovered 1,000,000 tons of guano on Navassa Island. Guano was then worth \$40 a ton. Synthetic guano had not even been thought of at that time and our farmers needed that gift of the seabirds for fertilizer.

Peter Duncan filed on Navassa Island under the guano law of 1856 which, in effect, gave Americans the right to mine guano wherever they found it if no one chased them off.

Later Duncan's assigns brought in a labor force of 137 colored men and 11 white overseers from Baltimore. Haiti made a little demonstration against us with her two-boat navy but did no shooting.

We declared that Navassa Island "appertained" to the United States, warned Haiti not to start anything and assured her that, in spite of appearances, we wished to be friendly. All we wanted was to take \$40,000,000 worth of guano, which was the only thing worth having on that little blob of volcanic rock.

Living conditions for those who were taking it



were ghastly. So, on September 14, 1889, the workers revolted. In the ensuing riot Henry Jones killed Thomas Foster "with three mortal blows of an ax."

It became desirable to hang Henry Jones. This raised a legal problem that could only be regarded as unpleasant.

If we returned Navassa to Haiti—as we had indicated we proposed to do—and some future tribunal held that Haiti had been the true owner all the time, then Henry Jones had done his chopping on foreign soil and, murderer or no murderer, we had no right to hang him.

Meanwhile the Haitians were clamoring that they were sole owners of the island. They had the papers to prove it. Ownership had descended in a straight line from Spain to France to Haiti.

They were a backward people and could only understand plain meanings. The significance of the word "appertaining" escaped them.

It also escaped Attorney General Black, in office at the time, who formally reported to the President that we "had no right under the law" to seize Navassa Island and that something like a bar sinister, therefore, dropped between Jones and punishment for his crime.

The text of the decision later rendered by the Supreme Court indicates some twinges of conscience along the same line. In illegal language, it ducked. The ownership of Navassa Island, said the Supreme Court, upholding the decision of the lower tribunal, was a political, not a juridical, question. If the Executive Department said that Navassa Island belonged to us, then Navassa Island belonged to us and the courts were not interested in the evidence of ownership and line of descent.

That would be good law, or good practice, today. The Supreme Court, for instance, would not order President Truman to turn Okinawa over to the natives.

Even with this, the Court was not entirely satisfied. It observed that, since some future court might hold that "appertaining" an island is not the same as owning it legally, it would not be advisable to hang Jones under our statutory law. The unfortunate murderer was simply unable to meet the requirements. Therefore, recourse was had to maritime law, which covers offenses committed on the high seas.

Only Navassa Island was not on the high seas. Maritime law, which is essentially English law, had been accepted by us and the English jurists had been firm in declaring that the high seas means water and only water. It began to look as though Henry Jones would go free. He had not committed

a crime on water and the land on which he did murder was the legal property of another country and only "appertained" to us.

But a compromise was reached, though not with Henry's connivance. A law enacted by Congress to keep pirates in their places was exhumed, and in effect, amended the international law of the seas. By convenient definition, Navassa Island went to sea as a ship.

So Henry Jones was hanged in 1890 in Baltimore, as was proper under maritime law which says that offenders on the high seas must be tried where they are first landed.

This may sound complicated. It is, and the only reason here is that the case set forth against Henry Jones so clarified the meaning of the legal term "appertaining" that, on October 2, 1945, President Harry S. Truman issued a Presidential proclamation to the effect that whatever may lie under the waters of the Gulf of Mexico from the American coast to the Continental Shelf "appertains" to the United States of America.

No dominion over the waters is asserted. No claim is alleged to the earth beneath the waters. But, submerged in that aqueous territory are 141 "salt domes" which are the presumable indication of one of the richest oil fields on earth.

We need—or may need—that oil. Although our 421,000 oil wells in 24 states now produce 4,750,000 barrels a day, oil and natural gas are gaining in popularity as fuels because fewer labor difficulties bedevil their users. Atomic energy for commercial use is still a long way off.

If the world should go haywire again, we would need that oil very much indeed.

Extending our oil fields

CERTAINLY this oil does not belong to any other nation. But the Interior and State Departments had been busy for months trying to discover a legal method by which the United States might claim for itself the supposedly vast petroleum deposits in the Gulf beyond the territorial limits of the country.

Someone thought of Henry Jones. The precedent established by his hanging is almost indispensable. The similarity of language between President Truman's 1945 proclamation and the various phrases in the legal goings-on of 57 years ago is too marked to be disregarded. This has been pointed out by Stanley Suydam, attorney for the Armstrong Seadrome Company, which is interested in the possible drilling operations in the Gulf. In effect we are repeating the hearty methods by which we extracted the 1,000,000 tons of guano from Navassa.

There is little question that oil is present under the 141 salt domes in the Gulf of Mexico. No one knows, of course, what the quantity may be, nor how deep down it may lie.

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▶ A stable platform such as a seadrome might offer, would be a requirement for drilling in deep waters off our coast



They Feed the Springs

A SMALL GROUP of designing young men are working overtime to make you completely dissatisfied with the equipment you own

SEVEN men in this country create more economic discontent among the masses than a whole carload of Marxists, demagogues, pamphleteers or labor agitators.

These fomenters of discontent dress like Lord Chesterfields, have the souls of artists, and work in richly furnished skyscraper offices in New York.

Their job, basically, is to help the manufacturer offer you products that are so much better than what you own that you will become dissatisfied enough to buy new models. Because of their work, you are never content

with the *status quo*. They make you want to turn in your vacuum cleaner, refrigerator, automobile, toaster, radio or whatnot for something better, more efficient.

In normal times few American families ever wore out anything. They traded old for new models. This made markets for new things. People who couldn't afford to follow the style bought up the trade-ins cheaply and so were able to have all the things on a slightly lower style or efficiency level than the well-to-do.

When war came Americans learned that the things they



Henry Dreyfuss . . . studied fingernails

used to replace would last for years. If many people continue to follow that plan we are likely to have serious unemployment in our factories, with lower wages and a lower scale of living. After the dammed-up demand for goods is filled, the market for replacements can hardly make enough jobs.

The industrial designers stimulate the market of discontent. Of course, they don't just sit around deliberately planning how to make everything you buy one year obsolete the next. In fact, their ideal is a design which the manufacturer can use over and over for years, without expensive re-tooling. But perfection doesn't come overnight; and designers not only have to think of changing tastes in style, but must also take advantage of new materials and new mechanical and engineering ideas.

Many products are being re-

designed by manufacturers themselves without benefit of outside consulting services but the tone of tomorrow's product design is being largely set by seven men—Raymond Loewy, Walter Dorwin Teague, Henry Dreyfuss, Harold Van Doren, Norman Bel Geddes, Lurelle Guild and Egmont Arens, whose companies are among the nation's outstanding independent industrial designers. They are the best known of the 68 members of the newly created professional organization, the Society of Industrial Designers. Its members are located in the chief industrial centers from New York to California.

For an illustration of how re-designing can make millions of persons discontented with existing models, take the case of the lawn mower. The noisy, unwieldy, heavy mower in vogue since grandfather's time is being challenged nowadays by lightweight machines a child can push. And hand mowers, in turn, will have to compete eventually with something radically new—a lightweight power-driven mower designed by Teague. A woman can pilot this compact 30 inch machine with ease, and

there's no back-breaking "after trimming" to do, because the horizontal blades can go close to posts, trees and fences. A working model of this portable power-mower has been made, and a public announcement of it issued, but production has been delayed by a shortage of parts.

Designing a desk

BEL GEDDES is working on an office secretary's desk which offers a good example of how industrial designers go about their business. International Business Machines went to Geddes and said, "We want to see designs for a better desk for our electric typewriter." I.B.M. supplied Geddes with one of their electric typewriters and his staff went to work on a desk for it.

First, they brought in a secretary and sat her down at a standard desk. To the back of each of her hands they strapped a small square case containing two tiny one-inch batteries and an electric light. Above her they placed a set of cameras pointed down on her and the desk. They instructed the girl to go through motions typical in a

Norman Bel Geddes and members of his staff . . . found how a secretary works by photographing lights on her hands

of Discontent

By WILLIAM A. LYDGATE



Raymond Loewy . . . made lockers blue and ivory



Egmont Arens . . . worked with plastics

day's work, such as getting out sheets of paper, slipping a carbon between them, and inserting them in the typewriter. The cameras recorded every movement, the little electric lights on the backs of her hands tracing a pattern on the film.

Study of the films showed that a secretary at a desk actually works within a semicircle bounded by the distance her arms can reach comfortably as she swings in her swivel chair. The area of the desk top beyond that semicircle is presumably "storage" space. But most secretaries make a fetish of uncluttered desk tops. Therefore the far end of the desk top is, more often than not, simply little-used waste space, while the drawers are

packed with paper, carbon, notebooks, card files and other paraphernalia.

When the secretary wants to get at these things she must haul the drawer open, pull out what she wants, and shut the drawer again—and this, scores of times a day. The waste motions involved were clearly shown in the film tests.

Lights strapped to the knees of the secretary also demonstrated how cramping and inadequate is the leg room underneath the average stenographer's desk.

With the tests as a guide, the Geddes' designing staff turned out a full-size desk model or "mock up." At the back of the desk top—the "waste" part outside the working semicircle—they put a raised

section containing slanted shelves for paper, notebooks, current correspondence and other items. These can be reached more quickly and with less effort than is required to pull open a drawer. There's space, too, for a telephone book, a cubbyhole for personal effects, and space for a card index file. There's even a built-in clock.

Typewriter on rails

THE electric typewriter rests on a shelf extending at right angles from one side of the desk and supported by one leg. It is mounted on small rails along which it slides. When not in use, the typewriter can be pushed into a housing cabinet which forms one end of the raised section.

The desk occupies less space than the average secretary's desk uses today, yet it has more than four times the leg room. The easy accessibility of the storage shelves on top the desk halves the motions required in routine tasks. The shelves can be covered by sliding plastic panels. I.B.M. plans to make the Geddes design available, when completed, to office equipment makers to manufacture as the unit recommended for the I.B.M. electric typewriter.

This is only one of thousands of new products going into production, awaiting production, or on the planning boards.

"We're designing just about everything you can imagine," Carl Otto, partner and head of product design at Raymond Loewy Assoc. (Continued on page 83)



Walter Teague and partners:
Robert Harper, C. S. Myers



Harold Van Doren
and Lurelle Guild





The practicability of transferring bus passengers to helicopters has been successfully demonstrated by the Great Lakes Greyhound Lines

Is the "Whirligig" for You?

By ALEXANDER KLEMIN

THE HELICOPTER is ready for business now, but not as the motor car of the air

PERHAPS you have heard that the helicopter is the perfect private aircraft of the future, that there will be hundreds of thousands of rotary wings in the sky within four or five years, that this new aircraft will have a thousand uses and complete man's conquest of the air.

Perhaps you have even said to yourself, "I'll wait until I can get a helicopter."

You are likely to wait a long time. The enthusiasts of the helicopter forget its cost, limitations and difficulties.

It can indeed be useful now and in many ways to business and industry, but the helicopter cannot today serve you and your family like a motorcar of the air.

To see a helicopter in action, or



The soft lines of this new Firestone helicopter are a departure from the unattractive configurations of the earlier rotary-wing aircraft

in the newsreel, is to marvel. It surpasses birds in flight and equals the skill of the mosquito. It can rise straight up, hover in the air, land vertically, fly forward, rearward or sideways.

At the Sikorsky Aircraft factory you can see the pilot land or take off casually from a small plot crowded with automobiles. No flying field is needed.

When C. L. (Les) Morris made the first long trip by helicopter

from Bridgeport, Conn., to Dayton, Ohio, he asked directions from passers-by at a crossroad while hovering quietly in the air. A half-acre plot behind a small house would give you a fine helicopter landing area.

But if all this is true, "What prevents me from buying a helicopter right away?" you may ask. A number of things.

To begin with, have you been told that it is easy to fly the helicopter?

Of course, the student pilot finds it a great help that he need not make up his mind immediately in landing, but can hover in the air and pick both spot and time. But in flying the helicopter, besides the airplane's control stick, rudder pedals and throttle, you have to think of the pitch lever for controlling height above the ground and you have to coordinate pitch lever with throttle.

More things to learn

WHEN you push the throttle lever forward, you have to remember to apply rudder pedal to check the greater turning tendency of the helicopter. And the more things you have to remember, the harder it is to learn.

Veterans of the air who think they can check out on the "whirligigs" in half an hour or so may be greatly embarrassed.

Col. Charles A. Lindbergh, one of the world's most skillful pilots, when flying a helicopter for the first time, pulled the stick back to make a slow landing—and landed backwards in an adjacent field.

(Continued on page 72)

The helicopter requires no landing field. Almost any clearing is sufficient



To increase speed of air mail delivery, the Post Office is now seeking to establish helicopter service between the main post office and the airport in the larger cities



This apparatus measures the qualities by which we remember, judge and describe other persons



By studying this graph an employer can tell the job for which an employee is best fitted

Your Personality Sits for its Photo

By GERARD PIEL

SOCIAL ENGINEERING has a new wrinkle—a calculating machine which solves many personnel and organization problems. It helps match men to jobs

1. The top hosiery salesgirl in a large Boston department store was detailed last spring to reinforce the millinery staff through the Easter run on hats. When the time came to compare sales books, it was found that the star from the stocking department had turned in the poorest showing.

2. A disappointing performance as a line officer in the production end of a New England brass company had put an apparently permanent ceiling on the career of a promising young engineer. Kicked upstairs to a minor staff job in the general manager's office, he has come through during the past 18 months and is regarded as a key man in

the next generation of the company's management.

3. The foreman had his hands full trying to find an operator for a certain machine set off in a corner of the shop, away from the line into which it fed its product. The workers said it was "too hard to operate," "dangerous," etc. He was debating a serious recommendation to management when a new worker joined the payroll. A taciturn, unsociable young man, he worked happily and efficiently at the machine until he was drafted. The machine has since been moved into line with the rest of its department, and now anyone can operate it.

THESE ARE SAMPLES of the human element at work in industry and business. The performance of machines and materials can be calculated to tolerances of a 10,000th of an inch or a thin split fraction of a second. The unknown quantity is men. It is true that some light has begun to dawn on the problem. Job analysis, time and motion studies and the like make it possible to set objective standards for skill and aptitude. But you cannot hire skill and aptitude by them-



selves. You have to hire whole men. How men work at their trades and their machines is a small part of the story. The much bigger part is how men act on each other.

Ultimately, every business enterprise boils down to its people and their relationships with each other. It takes people and contacts between people to get even the most magnificently engineered production line into motion. And production is only the beginning.

Upstairs, at the management level, and outside, in the sales field, people are engaged largely, some almost exclusively, in contacts with people. How do you measure the effectiveness and efficiency of contacts between people? How can you specify the initiative, tempo, drive and aggressiveness that a

particular job requires? And how do you find the man to fill it?

How, in short, do you evaluate human personality?

Machine for social engineering

ONE method, known as the Interaction Chronograph Method (hereinafter referred to as I.C.M.) has been developed by Dr. Eliot D. Chapple and a group of associates in the department of anthropology at Harvard University. It has been at work for the past two years on the personnel and organization problems of a number of New England business and industrial concerns.

The I.C.M. enters the field of social engineering backed by a sound record of development and service in pure research. Anthropology, it is worth noting, is the one social science that has been admitted to membership in *Sigma Xi*, the fraternity of biologists, physicists, chemists and other "exact" scientists. And Harvard is one of anthropology's most distinguished centers. It was for the purest of research objectives that Chapple and his associates perfected their method over the period from 1935 to 1944. Their progress was documented in such journals as the *Proceedings of the National Academy of Science*, *Applied Anthropology*, *Genetic Psychology Monographs*, etc., long before it became the subject for a report in the *Harvard Business*





Dr. Chapple of Harvard had much to do with the machine's development





A portable recorder has been perfected for observing employees at work for job analysis. The record is later converted into mathematical values by the Interaction Chronograph

NATION'S BUSINESS for April, 1947

The right foods can mean better health!

But remember, appetite and taste are not always the best guides to a good diet. Neither is cost,  for some families that spend a lot on food are not as well nourished as those who spend less—but choose more wisely  and enjoy a well-balanced diet.

Today, medical science  is realizing more and more that food can be helpful in fighting certain physical conditions, such as diabetes, high blood pressure, and overweight.  However, the main function of *your* food is to help you keep physically fit. Eating the *right amount* of the *right foods* every day can mean *better health and a happier life for you!*

Choose foods to meet the body's needs!

Daily needs in nearly every normal diet include milk or cheese, meat, fish or poultry, vegetables, fruits, cereals or breads, fats, and sweets. You should also drink 4 to 8 glasses of water a day.

How much of each food you should eat for a well-balanced diet depends on your age, your physical condition, and the kind of work you do. Ask your doctor about your own health requirements,

and be sure your diet includes all of the essential food elements in the proper amounts.

When and how you eat are nearly as important as what you eat. Have your meals at regular times. Eat them slowly and enjoy them—for a happy, peaceful atmosphere is helpful to good digestion and good health.

To help guide your choice of foods for a healthy diet, and to help you get the most good from the food you buy, send for your free copy of Metropolitan's booklet, 47-P, "Three Meals A Day."

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TO EMPLOYERS: Your employees will benefit from understanding these important facts about proper diet. Metropolitan will gladly send you enlarged copies of this advertisement—suitable for use on your bulletin boards.

Review. Outside the field of anthropology, the I.C.M. is now recognized as a powerful tool for psychiatric diagnosis.

The I.C.M. proceeds on the basis that the way to tell how people will act is to watch how they do act.

Counts talking time

THE Interaction Chronograph itself is an electronic calculating machine. As its name suggests, it measures the interaction between people in terms of time, which is the only element in social relationships that can be measured. It is an extraordinarily simple machine to operate. In a typical interview, no attempt is made to hide its presence. It is merely placed unobtrusively in a corner. The operator works only two keys, one for the interviewer and one for the interviewee. As each starts to talk, the operator presses down the corresponding key and holds it down until he stops. Thus, all that is recorded is the time aspects of the relationship, the promptness, frequency and duration of the spoken interaction of two people in social contact with each other.

From the information plotted by the two keys, the calculating mechanism of the Interaction Chronograph projects six mathematical curves, which show to what extent the person under observation tended to initiate and carry on activity, interrupt, argue, dominate and submit, through the duration of the contact. These measurements, in the form of a simple graph, can be read by anyone, with no special gifts of learning or intuition required. And since people, for profound biological reasons, tend to behave pretty much like themselves at all times, a single observation by the Interaction Chronograph yields a reliable picture of what a person is really like.

By this time, several thousand measurements of as many different people have been made. They cover a full cross section of the personalities that make up our society, including top business men and professional people, scholars, students, foremen and workers in the ranks. In addition, there is an extensive collection of data on abnormal personalities. These provide invaluable material not only for diagnosis of the abnormal but

for definition of the normal. Dr. Chapple and his associates decided in the autumn of 1944 that the I.C.M. was ready to graduate from the laboratory and go to work on practical organization and personnel problems. Accordingly, they organized the Chapple Company and have since been engaged in the management consulting field.

In this brief period, they have proved the effectiveness of the I.C.M. on both sides of the social engineering equation of matching the man to the job. On the one hand, the I.C.M. has set up a whole new scale of values for specifying the personality requirements of a given job. To the educational, experience and skill specifications that customarily define the man for the job, it adds an intelligible

esting fact is that this personality distinction is shared generally by foremen, although foremen, as a group, rank closer to the rest of the population on the activity scale. By contrast, sales people, who are high in activity, rank lower in initiative and dominance. A quality that distinguishes the outstanding personalities in business and sales is one that shows up on what is called the "free give-and-take" curve. It is flexibility or capacity to vary output of activity, and thereby adjust to other personalities.

Assistants of lower rank

SCIENTIFIC confirmation for another equally transparent fact of life comes from Interaction Chronograph surveys of industrial organizations. The rank order of people on the table of organization is almost always faithfully reproduced by the rank order of their personalities on the I.C.M. scales. This is especially true as between the officer or department head who does his own hiring and the people whom he hires. People, in other words, are careful to see that their subordinates are really subordinate in personality. A pointed example of this tendency is the case of a foreman turned up by the Interaction Chronograph, who ranked so far below other foremen in his organization that a special survey was made. It turned out that every member of his crew ranked equally far below the men in their categories in other departments.

The foreman, in hiring his crew, had unconsciously made sure that he would be at the top in his shop.

Work with the I.C.M. seems to demonstrate that the personality factors in the definition and performance of a job are fully as important as the functional description of the job. The I.C.M. has correctly diagnosed and helped to correct a large number of cases of people who were not making good, simply because they were miscast in their jobs.

The young engineer who was on his way to failure in a production-bossing job scored high in activity and initiative, but low in dominance and flexibility. At his work, he was unable to handle his subordinates or to delegate responsi-



description of the man himself. On the other hand it has proved effective in finding the man that it is thus able to describe in advance.

As a result of this work, it is now possible to support some impressively sweeping statements about personalities in general and about personalities in business in particular. It turns out, first of all, that the Interaction Chronograph curve which plots over-all activity is the most decisive. More than 90 per cent of top business executives score in the high end of this curve, compared to ten per cent for people in general. This is to be expected, since "drive" and "energy" are traits that correspond to the activity value. Top executives, naturally, also score high in initiative and dominance. But an inter-

bility to them. He tried to do everything himself and kept his staff in a constant state of tension and anxiety. Given a one-man assignment on the scheduling of operations, he soon branched out into long range planning and corporate strategy, and has created for himself a crucial and responsible executive position.

A more common type of maladjustment is the reverse problem of the overdominant personality. The I.C.M. has discovered several such in the category of executive secretary. These were girls who were promoted to top secretarial jobs according to the usual standards of dependability and proficiency. High in activity and dominance, they were terrors to the one or two stenographers who served as their assistants, and got into repeated emotional crises with them. These problems have been resolved in a number of ways. Sometimes the executive secretary has been appointed head of a large clerical department, where she has been able to exercise and satisfy her need to dominate in the management of a larger number of people. Sometimes she has been given a submissive personality as her assistant, a girl who likes to be bossed and kept on her toes.

Matching the job to man

EVEN the easy-going personality, that scores high in flexibility, has troubles. One personable young stock clerk was made boss of a receiving department. The department was in chaos and his job was in jeopardy when the I.C.M. survey was undertaken. It was found that the young man was exceptionally high in activity and capacity to adjust, confirming the criteria on which he had been promoted. But he was almost equally low in dominance. A job was found for him in sales, in which he clicked immediately.

The organization consulting service of the Chapple Company consists of installing and supervising the use of the I.C.M. in the client's personnel selection and placement system. The method has been reduced to a number of simple routines that the personnel and supervisory staff of any business organization can master easily. For job analysis, a small portable recorder has been developed, which can be used to observe employees at their work in shop or office. Its two line record is later converted into mathematical values by the electronic scanner in the Interaction Chronograph. For per-

sonnel selection and other purposes, a standard interview procedure has been evolved. This is now an essential feature of the I.C.M. But it has aspects that make it interesting and useful even for interviewers not using an Interaction Chronograph.

Interviewed at various tempos

UNDER this procedure, the interviewer breaks down the interview time into five roughly equal periods. In the first, he sets out to put the subject at ease, to draw him out and get him going. In the second period, the interviewer deliberately slows down his tempo, hesitates before answering or fails to respond. The effect of this mild chill is to challenge the subject to keep the ball rolling. Next, the interviewer readjusts to the subject and brings the talk back to its original easy-going plane. The fourth period brings another change of pace. This time, the interviewer speeds up his tempo, interrupts the subject and puts him on his mettle. In the fifth period he again returns to easy-going adjustment to the subject.

On the Interaction Chronograph, this procedure develops more precise information, particularly as to the subject's activity and flexibility and his capacity to dominate. For an interviewer, not equipped with a Chronograph, the deliberate shifting of the conversational gears brings out aspects of the subject's personality that are not likely to be expressed in the words he speaks.

A representative picture of the I.C.M. at work is provided by its recent installation in the sales and supervisory personnel system at the Gilchrist department store in Boston. Starting from scratch, the first problem was to evaluate the various jobs in terms of personality. This was not simple, since no objective standards have ever been devised for sales jobs, except the post mortem results recorded in the sales book. As the primary achievement of its Gilchrist operation, however, it may be said that the I.C.M. has laid the foundations for such a set of standards.

Ratings for salespeople

THE I.C.M. has, first of all, isolated as a special group all of the sales people rated tops by the company in terms of actual performance. It ranked them, furthermore, in the precise order of their recorded sales ability. But, even more significantly, the I.C.M. estab-

lished clear personality distinctions between the groups of sales people engaged in the major different types of selling represented in the Gilchrist store.

High rating on the activity curve was the outstanding characteristic of the most able sales people. They demonstrated also a superior capacity to sustain their activity through all five periods of the standard interview and to finish strong in the last period. Among the top group, the few whom the store management rated as most outstanding responded with high flexibility to the change of pace in the interview. But even the tops differed from each other. Thus, the personnel in the high-transaction counter department scored higher in activity, initiative and dominance; while a lower initiative and dominance score corresponded to high performance in the low-transaction open-floor departments. The tops in the open-floor department, however, showed high activity throughout the standard interview and an especially high activity in the last period. In the open-floor departments where sales involve fitting, still another type of personnel was found. These people showed medium initiative and dominance in the first period of the interview; an increase in activity in the second, or passive, period; lower initiative and dominance in the fourth, or interruption, period; and throughout the interview they showed longer than average silences.

Different speeds effective

IT takes only a little imagination to see how each of these evaluations fits the job it describes. At the high-transaction counters, as in the hosiery department, the salesgirls must deal with several customers at once, often with a queue of customers. Success in this situation calls for an aggressive, quick personality. Selling furniture on the open floor, in contrast, calls for a less aggressive approach and for an ability to sustain contact with the customer while he debates his purchase.

The Interaction Chronograph evaluation of the personality that scores high in sales that involve fitting, reads like the plot of a typical sale in the millinery department. The customer is approached with mild authority—medium initiative and dominance in the first period of the interview. Doubt and dismay on the part of the customer as she tries to make a choice are countered by heightened ap-

peal on the part of the salesgirl—higher activity in the second period. As the sale proceeds to the fitting stage, the customer regains her poise and lays down the law to the now politely submissive salesgirl—lower initiative and dominance in the fourth period. Throughout the transaction, the salesgirl makes an effort to get the customer's point of view and measures her replies—longer than average silences.

Thus the Chronograph provides an objective standard for measuring the personality traits that make people go over the top in their jobs at Gilchrist's. Given such standards, it should be possible to apply them to the selection of new personnel for those jobs. The I.C.M. is now being used for this purpose, but it has not been in action long enough to permit the drawing of final statistical conclusions.

Effective as they are, the personality specifications so far drawn up in the Gilchrist operation are based upon indirect evidence. That is, they are based upon the combined personality profiles of the most successful people in the various types of jobs. Now under way is a long range survey which will set up a firm set of specifications based upon first-hand observations of actual sales transactions in each department. As against the personality specifications usually employed—"experience, good appearance, pleasant personality, alert, aggressive, etc."—the I.C.M. will provide a scale of numerical values for significant traits required in each job. The I.C.M. interview evaluation will rate the applicant on the same set of scales and match her directly to the job that fits her best.

Measuring social contact

WHAT the I.C.M. can do for sales jobs, it can do equally well for other jobs in which the unit of work is contact between people. This is, of course, the work that occupies the decisive portion of all man-hours in business and industry outside of actual production operations. Contacts are the essence of every organization and in a smoothly running shop, they follow a definite pattern, in the people that they involve, the length of time they take, and the time of day they occur. This web of contacts is the nervous system of the organization. Once its anatomy is understood, furthermore, its troubles can be diagnosed and corrected.

The tool for this analysis is on-the-job observation of people at work. The first step is to get a complete statistical breakdown of the interpersonal contacts throughout the organization. Questionnaires and interviews, analysis of office diaries, routing schedules and shop manuals, tabulation of memoranda, conferences and phone calls, all go to produce a picture of each person's daily routine. Skipping title and function, it shows only whom he contacts, how often and for how long. In combination with similar pictures of his co-workers, it links up into a new kind of organization flow chart. Compared to the company's assumed picture of itself, in its table of organization and definitions of jobs, this chart shows how it really goes about its day's work. The key jobs can be spotted easily. Starting with these, the I.C.M. goes to work on the production of an objective measurement of the personality requirements for each job.

Picture of an organization

THIS survey can tell an organization a lot about itself. Like an X-ray, it cuts through the words that define a job and reveals the character of the job itself. It locates the overworked clerk in the routing department who has been doing a job of production planning which was cut out for three men. It spots the executive who is incapable of dealing with more than four people at a time and is played out at the end of a morning conference. It shows up the supervisor who is too busy coping with his superiors to maintain adequate contact with his foremen. The survey, in short, exposes the faults in the organizational structure itself which short-circuit the chain of command, the people who are not made for their jobs, and the jobs that are badly designed for people.

The personnel problems in the management and sales end of business, where the intangibles of personality are the life of trade, naturally lay first claim on the services of the I.C.M. But the production line has its human element, too, and can profit from application of the new technique. Time and motion studies, even though they get down to one tenth of a second, inevitably leave a major portion of every job uncovered. To the stopwatch analysis of the actual work sequence there must be added allowances for setup time, personal needs, delay, fatigue, etc. These allowances, assigned on an arbitrary

basis, may run as high as 25 to 50 per cent of the total production time. Here is where the human element returns to disrupt the coordination of men and machines.

The allowance for setup time, for example, assumes that the setup man will be on time and that he and the operator will not get into an argument. Fatigue is well known to be as much a state of mind as of body. The delay allowance may involve the question of whether the foreman has adequately adjusted his crew to the last change in the work schedule.

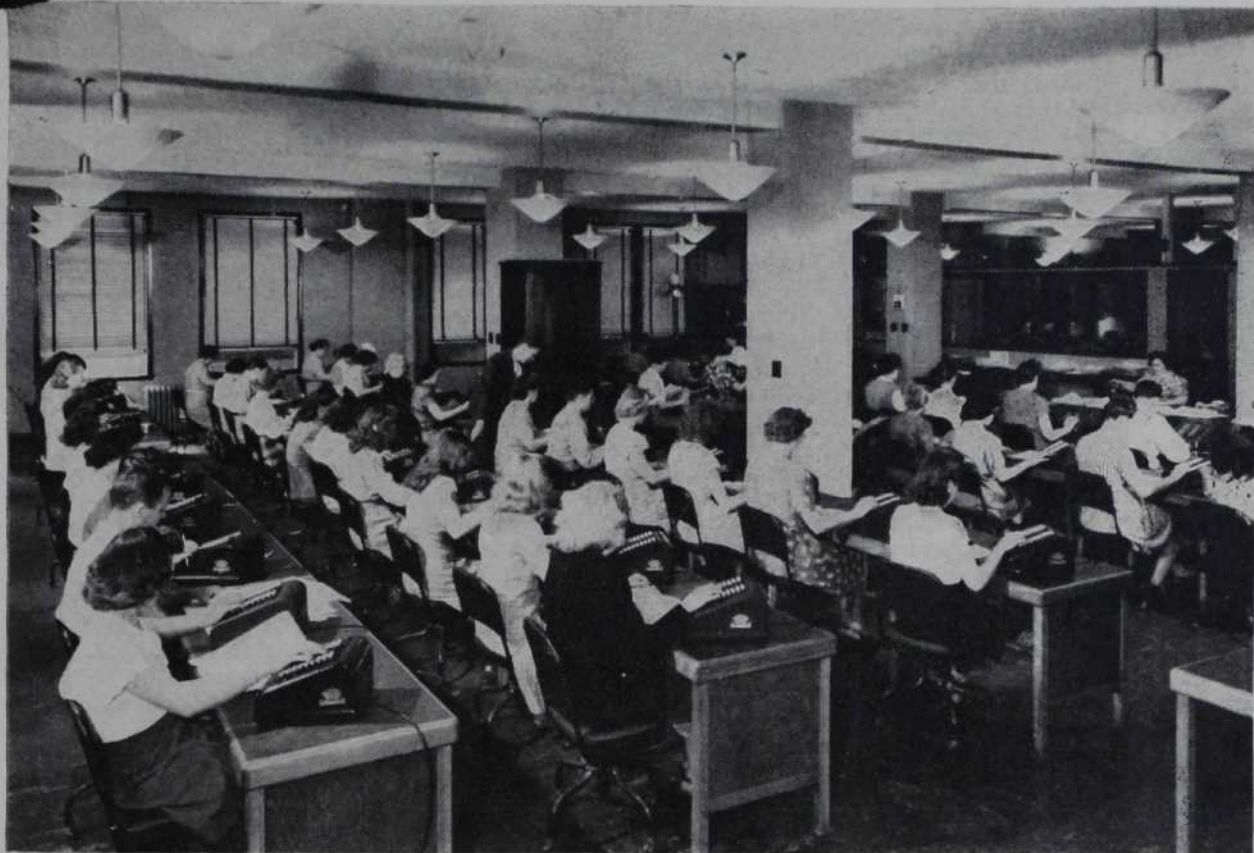
The I.C.M. provides a way to bring these allowances under a measure of control and to make sense out of the intangibles that so often reduce them to absurdity. On a number of occasions the I.C.M. approach applied to production problems has brought direct increases in output. Most of these problems flow from the simplest causes. There was, for example, the case of the two hyper-active, over-dominant girls who were seated next to each other at an assembly bench. They distracted the whole department with their animated conversation and frequent argument. A rearrangement of seating in accord with the I.C.M. specifications, separated these girls, matched them to more stable and easy-going partners, and sent the department's output up to a new plateau.

Misfits cause trouble

IT IS a well established axiom of industrial relations that grievances seldom refer to the actual cause of the trouble. The trivial disputes that wind up so often in slowdowns, stoppages and walkouts, obviously get their heat from much deeper sources of unrest. The fact is, in almost all such cases, that the people are just plain unhappy at their work. It is not the work itself, since plenty of people work at similar jobs elsewhere without trouble. The trouble begins when people are miscast in their jobs. Whether it is the fault of the job or the man is irrelevant; the tensions are there, they build up and they must find release somehow. The misfits are unhappy in their jobs, and no amount of bonuses or wage incentives can make them otherwise. The cause, not the symptoms, of the trouble must be treated. For this operation the instrument of choice is the I.C.M. By matching jobs and men, the I.C.M. can succeed where other devices fail; it can make people happier at their work.

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Trained to Raise Hell in America

(Continued from page 35)

gun apart and before long the complicated mechanism was back in place and working.

"Where did you ever learn that?" the captain asked, amazed at such dexterity by a raw recruit.

"In the Lenin School in Moscow," the man explained. Instruction in weapons of other countries is one of its courses.

This man was one who had belatedly realized that his first loyalty was to his own country and not to Moscow and world revolution. Nurserymen figure that 20 per cent of seeds will not germinate and the Lenin School figures the same percentage of its alumni may lapse from Communism.

Party ideology first

TO keep the percentage down, the first studies in the school's three-year course are intensive indoctrination in the theories of Marx, Engels and Lenin. Once well grounded in party ideology, a party member will realize that winning a wage increase or election or disrupting his own country's economy for the benefit of the Soviet Union are only steps toward the final goal.

"Strikes are skirmishes that force the class solidarity of the proletariat, that oppose class against class and train the masses for the final struggle—the destruction of the state apparatus in a capitalist state," is quoted from a lecture by Abraham Brantovich, better known as "A. D. Lozovosky," lately secretary of war in the USSR and tops in Profintern and Comintern.

"The most glaring weakness of our members is inability to connect particular tasks with party outlook," Beatrice Siskin, alias "Shields," a Lenin School alumna, warns in *Party Organizer*, the monthly magazine circulated only to trusted American party members. It, also, fell to name changing and is now *Contact*.

The Lenin School student who survives Vol. I of Marx's involved and obtuse "Capitalism," can go on to Vols. II and III, to the clearer philosophy of Lenin, the mistakes of Malthus, Ricardo, Smith and other

bourgeois economists and to increasing instruction in practical Communism. As Vols. II and III were written by Engels from notes left by Marx, faculty members doubt whether Marx himself would understand them.

In addition to its three-year course, the school has short courses in labor activities, party organization, propaganda and such, according to graduates of the school.

The labor movement is next traced from ancient times to the Red Revolution in 1917. In Marxist dogma, the struggle between employers and workers is irreconcilable. Christianity, according to Marx, came from a slave rebellion against the masters. In modern society, the struggle is between capital and labor, farmers and distributors. It will be solved only when civilization returns to the collectivism of tribal days and the masses take over the factories and farms. This is the version to be expounded to the masses, but it is made clear to the students that actually a government, as in the Soviet Union, will take over with the Communist party in control and today's students as the actual rulers.

"Saying there can be unity of interests between employers and employees is treason to the working class," says a textbook by Olgin, followed by instruction that a collective agreement should be broken at the first opportunity.



Stalin, always direct, clarifies this with: "The mightiest ally of Russia is strife, conflicts and wars in every capitalist nation."

Comrades who recant Communism are to be ostracized, slandered and accused of stealing and swindling, according to the school's instructions. The easiest way to answer charges by outsiders is to denounce them long and loudly as lies until they are doubted.

When the student reaches the courses on Communist party organization, the haze of theory clears and action starts. He is taught what methods to use, based on party structure and ideology, in any foreseeable circumstance.

In a country where the party is outlawed, it must work entirely underground. In the United States where it is legal but suspect, it should work under cover of other organizations, but the strategy of conspiracy to create internal disorder and to undermine the Government is the same.

Taught boring from within

THE Lenin School student must join trade unions or liberal societies when he returns to his own country—attend all meetings, pay dues promptly, be eager for work, unite others by party discipline until the organization is blindly following the party line in which he is so well grounded.

"Never in our wildest dreams did we imagine a simple-minded government would permit trade unions and strikes by its employees," a professor in the school commented on the United States. "We have unions but here all workers are government employees and a strike is the same as mutiny in the armed forces, punishable by death. Nor did we foresee that a government would facilitate Communist infiltration into independent unions."

Students who can stand it, get the powerful dose from A to Z. They have now reached Z which is insurrection or revolution—how to put propaganda and organization among the masses to a practical test. Red Army officers and technicians, shadowy shapes from the MVD (Ministry of Political Police) and veterans in revolution take over. The course is based on actual experiences, a few successful and many bitter, each teaching some-

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- **Merchandising Aid:** There's a powerful merchandising and advertising story in goods shipped by air. Clothes rushed from style centers . . . newspapers and magazines . . . perishables . . . all these take on added value when it's known that they were flown in by Martin 2-0-2.
- **More Personal Contacts:** Contacts between top executives are multiplied, markets are expanded, when you travel by speedy Martin 2-0-2. Needed recreation is nearer than ever before.
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thing. When the time comes to apply these lessons there will be no turning back, and the penalties for failure are death.

"Too great humanity is a danger as it is interpreted as a sign of weakness," says the textbook of Hans Kippenberger, who, under the name of "Alfred Langer," writes as a former revolutionary leader in Germany. "That is the great lesson from all revolutionary conflicts. Humanity should be extended only to those who may be won over to the cause. The revolutionary procedure—that is, the terror—should be applied most strictly to all adversaries."

Preparations for revolution

THOUGH Moscow does not consider revolution imminent in the United States, American pupils get the course so they will be ready if the occasion arrives. Russia is the shining example of a small well-organized group taking over a country, and the lessons have succeeded in China and the Balkans.

Four "conceptions," using the school's phraseology, for an insurrection are: preparation, timing, knowledge of tactics, and complete surprise. Though loyal to the Communist world capital and well-instructed, the local leaders still will be amateurs—and Moscow prefers to send experienced revolutionaries to take charge and avoid disastrous bungling and overleniency.

Like the party policies and the life of a party member, nothing is left to chance or to personal vagaries but is planned in advance on party principles and experience.

High points of the plan for the capture of Chicago—when the time comes—sound like an army operation with everything provided for from psychological warfare to dropping paratroopers.

The peaceful preparations are to go on for years through capable party members burrowed into trade unions, public offices, police force, liberal clubs and other sources of information. Vital spots such as power plants, radio stations, and airports must be mapped.

All the working masses and unorganized proletariat may not be aroused to join in the fracas but the needed knowledge of where to attack to paralyze the city will be at hand. Even recording such a small detail as whether a watchman has a dog is called for in the instructions.

A headquarters, known only to a selected few, will be set up, a courier system organized; telephone talks will be in code, party papers or names memorized and destroyed. Until the zero hour, non-party friends should be used as blinds and communications written on borrowed typewriters.

Police forces are notoriously unreliable for insurrections. Consequently, the city's riot squad—sure to put up a fight—is studied. If it is on three shifts, the weakest one is picked for attack. Once it is subdued, other police can be mopped up. If there is a suspicion that police officers are alert to what is brewing, the advice is to telephone them on a phony pretext to learn whether they are home or on duty.

The habits and daily routine of the chief of police, also the mayor

and leading citizens, must be learned. A blacklist is to be prepared of politically undesirable citizens for summary liquidation or temporary use while their families are held as hostages.

Squads are assigned to capture each objective. Getting arms for them is easy in the United States. The hour and minute when the groups will strike simultaneously will be the final instructions.

To prevent calls for outside help, communications will be interrupted immediately. Railroads are to be wrecked several miles outside the city, either by sending out maverick locomotives or by blowing up incoming trains. Armed men will hold the airports.

Captured radio stations will order a general strike which will be easy if the power plants are seized. The mayor, chief of police and other officers and leaders are to be captured early. If the mayor refuses to read the proclamation which must be prepared for him, he can be disposed of on the spot and somebody with a similar voice, already selected, can read it.

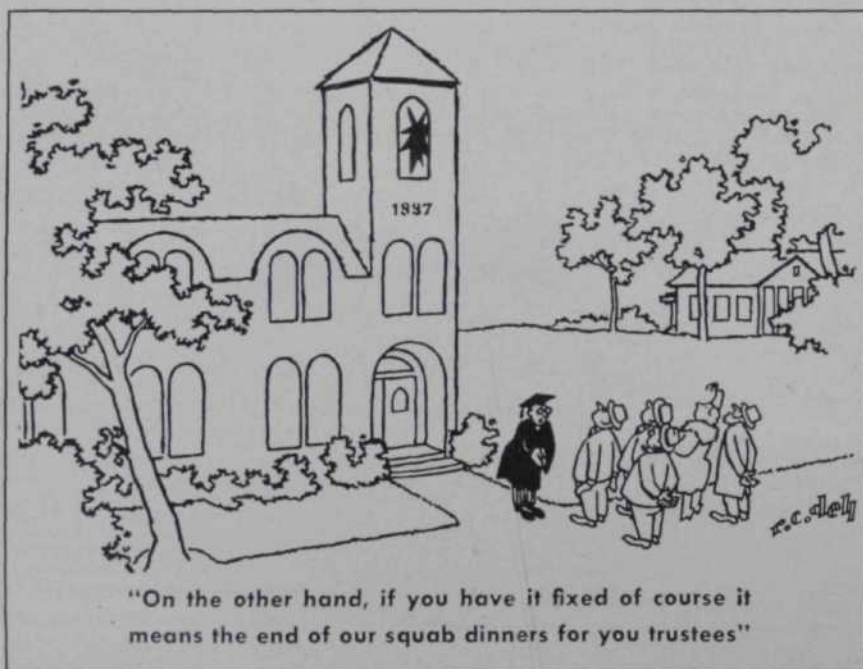
According to the time schedule, a city like Chicago should be captured in less than 48 hours. By that time the insurrectionists will have all the weapons and can arm more supporters. They are to proceed to setting up the government from officials picked in advance.

Postgraduate training

AFTER completing this practical phase of his studies, the graduate of the Lenin School leaves Moscow to begin his career. He may be sent to a colony for a year or more of postgraduate training or to his own country where Communism may be outlawed. He has mastered the technique of working undercover. Even in the United States and other countries where the party is permitted, it is actually two parties—one in the open and the other in the shadows.

A party worker or returned student is ostensibly assigned to duty by the proclaimed head of the Communist Party of the United States. Actually, his job is picked by the party's American politburo which acts under Moscow's direction. He may be detailed as a state secretary or to other organizational work, for propaganda or writing articles, for special work among Negroes or foreign language groups or to get a job and build up party influence in a particular union.

The International Lenin School, of special interest because of American students, is only one of



"On the other hand, if you have it fixed of course it means the end of our squab dinners for you trustees"

Chicago and Northern Illinois . . .

Rich in Educational and Cultural Advantages

When the last embers of the great fire of 1871 had died out, Chicago was a prostrate community with little remaining but a firm faith in its future.

In the lifetime that has passed since that day, the faith of its indomitable builders has been amply fulfilled.

For, not only has Chicago grown industrially great but also it has become rich in the things that give character and permanence to a metropolitan center—its educational, humanitarian, and cultural advantages. Throughout Chicago and Northern Illinois are uni-

versities, colleges, technological and scientific institutions, splendid schools, great libraries, distinguished museums, churches and theological schools, great hospitals, centers of basic research, all ranking among the finest in the world.

Cultural and educational wealth is only part of this area's many advantages. Industries seeking locations can secure confidential and detailed studies concerning Chicago and Northern Illinois from our Territorial Information Department. Some of these opportunities are indicated below.



Museum of Natural History in Chicago. One million visitors yearly.



Museum of Science and Industry. Foremost of its kind in the world.



Shedd Aquarium. Amovable home for 10,000 varieties of fish.



Adler Planetarium. First in U. S., reproducing panorama of the stars.



Chicago Historical Society. History dramatized in the many exhibits.



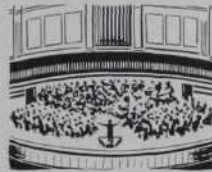
Chicago Academy of Sciences in beautiful Lincoln Park.



Ravinia Festival. Symphonic music all summer under the stars.



Important libraries in region contain more than 10 million volumes.



Chicago Symphony, founded in 1891, the best traditions in music.



Grand Opera's home in Chicago, the 42 story Civic Opera Building.



Starved Rock, one of 16 state parks preserving historic natural sites.



Great Medical Schools and hospitals make area a top research center.



Garfield Park Flower Conservatory, largest under one roof.



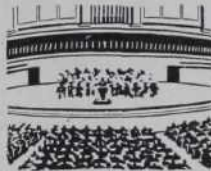
Brookfield Zoo. Animals in surroundings simulating natural habitats.



Beautiful churches give religious inspiration to all creeds.



Blackhawk Statue, Rock River. Important works by famous sculptors.



Sunday Evening Clubs typify hundreds of lectures and discussions.



87 universities, colleges, technical schools provide unrivalled opportunities.



Theological schools here are unsurpassed in the nation.



The Skyscraper, U. S. contribution to architecture, originated here.



Motion pictures and theatrical performances attract millions yearly.



Appreciation of dramatic arts aided by specialized schools.



Chicago school of writers has influenced American literature.



Art Institute with world's largest school and one of finest collections.



Industries locating in this area have these outstanding advantages: Railroad Center of the United States • World Airport • Inland Waterways • Geographical Center of U. S. Population • Great Financial Center • The "Great Central Market" • Food Producing and Processing Center • Leader in Iron and Steel Manufacturing • Good Labor Relations Record • 2,500,000 Kilowatts of Power • Tremendous Coal Reserves • Good Government • Good Living • Good Service for Tax Dollars • Send for free booklets containing useful information on these advantages.

This is one of a series of advertisements on the industrial, agricultural and residential advantages of Chicago and Northern Illinois. For more information, communicate with the

TERRITORIAL INFORMATION DEPARTMENT

Marquette Building—140 South Dearborn Street, Chicago 3, Illinois—Phone RANdolph 1617

COMMONWEALTH EDISON COMPANY

PUBLIC SERVICE COMPANY OF NORTHERN ILLINOIS

WESTERN UNITED GAS AND ELECTRIC COMPANY

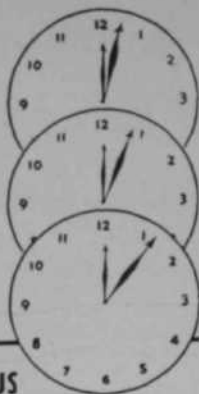
ILLINOIS NORTHERN UTILITIES COMPANY

How to Cut Metal Cleaning Time to MINUTES—

**NEW, FAST-ACTION DETERGENT CLEANS FERROUS
AND NON-FERROUS METALS... Easy to Handle**

War-proved Solvent "26" reduces cleaning time from hours to minutes on dismantled engine parts

and all kinds of machinery. Simply dip, rub, brush or spray it on. Then flush clean with hot water.



TYPICAL USES FOR SOLVENT "26"

CARBURETORS



Solvent "26" removes gum, gasoline sediment and other accumulations of dirt.



SPARK PLUGS

Solvent "26" safely cleans porcelain; helps loosen carbon deposits.

METAL PLATES AND SCREENS



Solvent "26" restores clear, clean finish to any metal surface.



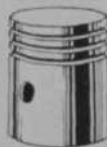
DIES AND STAMPING

Solvent "26" removes drawing compounds from die-formed or stamped metal.

LABORATORY EQUIPMENT



Solvent "26" frees glass and metal tubing and their supports of gums, varnishes and other incrustations or deposits.



PISTONS

Removes lacquers, gums, resins, etc., from gas, gasoline and diesel engine pistons and rings. Also effective for cleaning all parts of dismantled motors, engines and machinery.

REMOVES:

Oil
Grease
Gums
Varnishes
Lacquers
Paints

Carbonaceous
Deposits
Asphaltic
Products

FROM:

Steel
Cast Iron
Aluminum
Porcelain
China
Chrome and
Nickel Plate
Stone
Precious
Metals
Brass
Washable
Fabrics

several which the Soviet Union operates for this purpose. The Eastern University, formerly the Sun Yat-sen Institute which Chiang Kai-shek's son attended, has graduated nearly 10,000. Its efficient work shows in China and Korea, making trouble for young Chiang's father and for us.

Graduates of Western University are active in Balkan and Baltic countries and scattered foreign language groups from the United States. Tiflis, scene of Stalin's youthful exploits, has a school for Communists from the Near East. Another in Vladivostok is chiefly for Koreans.

The Academy of Red Professors with a seven-year course is scholarly and philosophical. It is for heavy thinkers and high-browed evangelists of Communism with little appeal for less sedentary Americans.

School for secret police

ON an equally high pedestal above the other schools for world revolution is the supersecret Kirov Academy in Leningrad. It is under the MVD or secret political police. Only candidates who have proved their do-or-die stamina enter its classes. It teaches higher level underground work and how to organize a police force which can control a nation, even its army, and keep the Communist party in power. Its alumni are active in both Hungary and Greece.

By fostering so-called liberal schools in American cities, some formerly under party names, selected students can be instructed in revolutionary tactics. Summer camps with intensive courses are even safer from intruders. A goodly portion of some 20,000 graduates of these schools become converts to Communism or sympathizers.

With the American schools, the International Lenin School in Moscow has become less essential for the program in the United States. It does, however, continue as a goal or finishing school for the hopeful young party member or graduate of the American classes.

The Soviet schools for foreigners are not too alarming when they are stripped of mystery. It would be well to know their 800-odd American alumni, also their instructors and what secret plotting is behind the formal handshakes over a conference table or the clink of cocktail glasses at a banquet board. It also will help when they know that we know—an interesting long-range job for our State Department and FBI.

**Cities Service
means
Great Service**

CITIES



SERVICE

Cities Service Oil Co.
NEW YORK - CHICAGO

Arkansas Fuel Oil Co.
SHREVEPORT, LA.

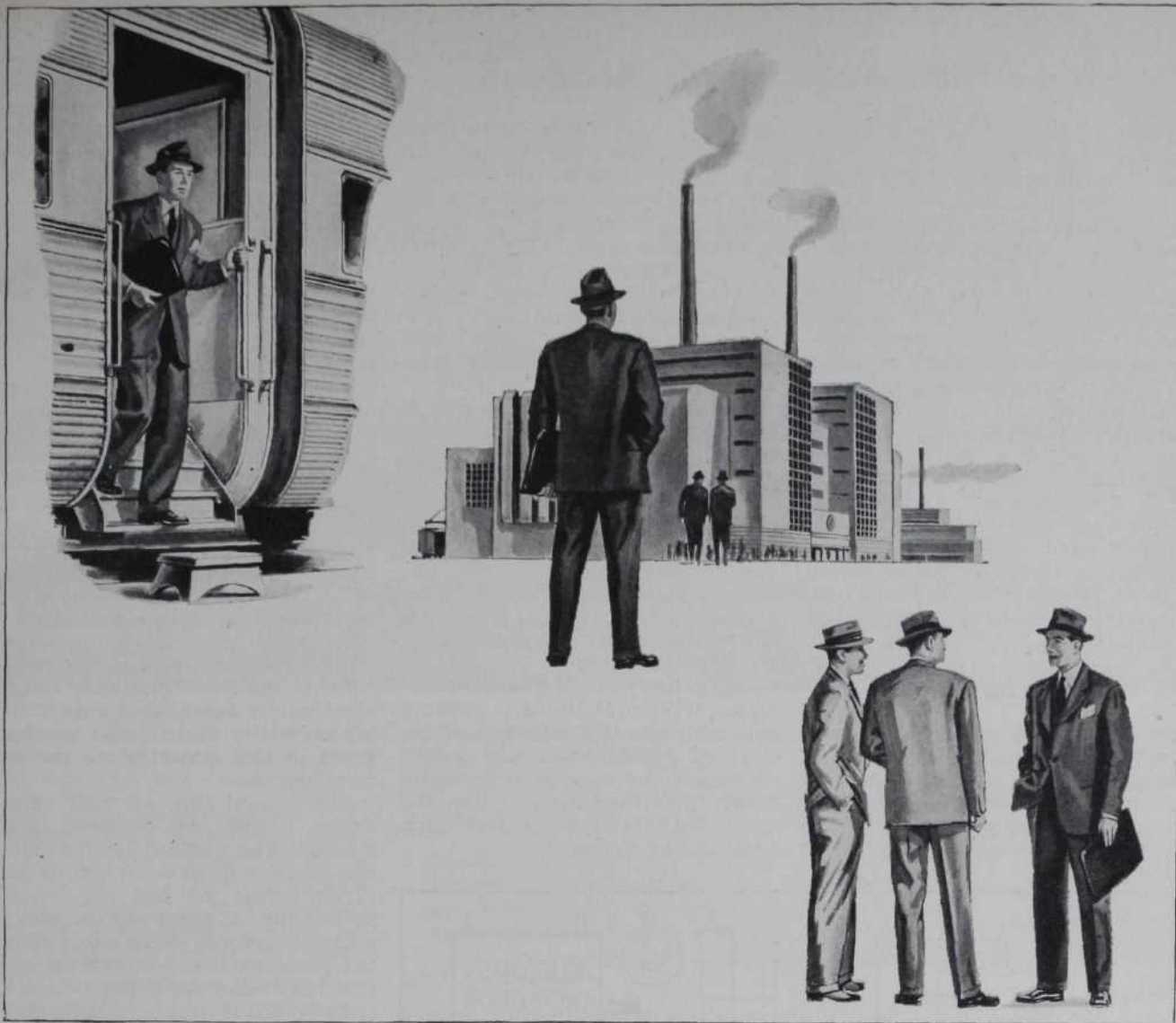
CITIES SERVICE OIL COMPANY
SIXTY WALL TOWER, NEW YORK 5, N. Y., ROOM 62
Please contact me for a demonstration of Solvent 26.

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CITY _____ STATE _____



Stop . . . Look . . . Listen!

Stop . . . almost anywhere along the 8,000 miles of the Southern Railway System.

Look . . . and see busy factories, with new ones going up all around. See business after business expanding and prospering . . . all taking advantage of the South's natural resources, huge markets and the many "pluses" that make it America's fastest-growing industrial area.

Listen . . . and hear the enthusiastic talk of businessmen who have located in the South. Learn how well they have fared. Hear their confident plans for the future.

Then you'll know why it will pay big dividends in industrial opportunity for *your* business to "Look Ahead—Look South."

Ernest E. Harris
President



SOUTHERN RAILWAY SYSTEM

The Southern Serves the South

Some Folks Have All the Accidents

(Continued from page 38)

campaigns with educational posters and meetings and contests would do the trick.

"Now, the third cycle is the personal one—the idea that safety is an individual matter."

The big and vital question, of course, is what can be done about that personal factor. Work to answer it is proceeding on two fronts. The first is how to recognize the accident-prone individual before he can do harm. The second is, once recognized, how to remove the proneness or susceptibility.

It would be ideal if there could be a battery of tests which could tell in advance whether an individual is likely to be accident-prone. Efforts to develop such tests have been going on for years in England.

Testing for accidents

IN one British attempt, 600 subjects were given "aesthetokinetic" tests involving rapid and accurate hand and eye coordination. Those who were below the average in the tests had a subsequent accident

rate 48 per cent higher than those who were above it. The accident rate of the worst 25 per cent was 51 per cent greater than that of the remaining 75 per cent.

At a later stage, 1,800 subjects received the same aesthetokinetic battery plus linguistic intelligence, mechanical aptitude and perseveration tests. The latter, however, showed no correlation with accident-proneness.

The conclusion about even the aesthetokinetic battery was that it was promising but, at best, only among skilled workers.

Nevertheless, work on development of valid tests is proceeding in both England and America. One of the key institutions for such research in this country is the Center for Safety Education at New York University, under the direction of Dr. Herbert J. Stack.

Right now, one of Stack's associates, William H. Hollis, is working to coordinate the activities of industrial psychiatrists and safety engineers and to fashion tests and other tools for practical use. It's the belief of the Center that such tools can be found.

It's also the belief of the Center—as well as of others in the field—that even without tests, much more can be done than is presently being done to detect accident-proneness.

First of all, more careful entrance interviewing is needed.

"It's not enough," says Hollis, who has had years of practical work-experience in industrial plants, "to do what's so often done haphazardly in employment interviews—just find out the qualifications and previous background of an applicant to determine whether he can operate such and such a machine. Employment interviewers ought to be trained to do at least a minimum job of sizing up the personalities of applicants and recognizing the obvious personality difficulties."

Finding the repeaters

ANOTHER fundamental need is for better records. Accidents have an uncanny way of happening often in the same place, and the constant in many of them may be an emotionally unadjusted worker. So all accidents of the past several years in any organization should be analyzed.

But beyond this, all near-accidents should be reported and studied. The accident-prone person tends to have many minor injuries before he has the costly major one. A check-up on near-accident records often can detect the accident-prone individual before much damage is done.

The point is that once accident-prone individuals are recognized, much can be done. One large electrical manufacturer, for example, has a well-planned program of placement and training for accident-prone employees.

When a young woman worker kept reporting at frequent intervals to the medical department because of minor injuries, her case was investigated. Found to be suffering from rheumatism, bad eyes and extreme nervousness, the girl was placed in a position offering little or no hazard and given special safety instructions from time to time. So far she's done well.

Similarly, a male machine shop worker kept turning up with minor injuries. Before any serious accident could develop, his case was checked and he was singled out for special safety instructions, particularly on material handling, and he was provided with all possible protective equipment. Close tabs are kept on his medical record and the next step, should he show susceptibility again, will be to



HERE'S THE inside secret

OF SAFETY-ON-THE-ROAD

FOR CAR AND TRUCK FLEETS



Over seven years without a single serious accident—that's the proud record of one fleet operator with eighteen trucks on the road.

Safety meetings are the inside secret of this record of safety on the road and at loading platforms. These meetings, run by the drivers themselves, are part of the Fleet Safety Program set up by an Employers Mutuals Safety Engineer when this fleet was first insured with Employers Mutuals.

Every accident is analyzed. One driver had accidents because of his habit of passing cars at intersections. He was shown how this cut off both his vision and that of the driver he passed. He never had another "intersection" accident.

It was found that another accident-repeater could see straight ahead all right, but his angle of vision was limited. He was trained to turn his head, consciously, each way, when approaching an intersection. He stopped having accidents, too.

The drivers elect their own Safety Board.

When the Board holds a driver responsible for an accident, he loses his chance for a safe driving award at the end of the year. And the men prize those bronze, silver, and gold "No Accident Driver" pins.

Flexibility is the keynote of E-M Safety Engineering. Fleet policyholders use any part of this program they wish—educational work, lectures, movies, literature, posters, awards, inspections, trailing, or riding with the men.

Ask an Employers Mutuals man about car and truck fleet insurance. He can tell you why the Fleet Safety Program is good business practice—how it lowers the operating cost per unit—how it acts to reduce workmen's compensation rates, also.

Or write—on your business letterhead, please—for complete information. We'll include a free copy of "A Dictionary of Insurance Terms" that helps



make insurance understandable. Address: Insurance Information Bureau, Employers Mutuals of Wausau, Wausau, Wisconsin.

Employers Mutuals Write:

Public Liability... Automobile... Plate Glass... Burglary... Workmen's Compensation... Fidelity Bonds... Group Health, Accident, Hospitalization... and other casualty insurance... Fire... Tornado... Extended Coverage... Inland Marine... and allied lines of insurance. All policies are nonassessable. Branch offices in principal cities. Consult your telephone directory.

Try these Safety Meetings with your family

The same safety engineering principles can be applied in your family group. Study the simple, basic rules for safe driving. Discuss the accidents and near-accidents you all see, and figure out how they could have been avoided. You and your family will become safer drivers. And the family review of safety-on-the-road principles may some day save a life.

EMPLOYERS MUTUAL LIABILITY INSURANCE COMPANY OF WISCONSIN

Established 1911

EMPLOYERS MUTUAL FIRE INSURANCE COMPANY

Established 1935

HOME OFFICE: WAUSAU, WISCONSIN

MAIL THE COUPON BELOW

Mail this Coupon for information on passenger car safe driving
Insurance Information Bureau,
Employers Mutuals of Wausau, Wausau, Wisconsin
Send me, free, your new safe driving booklet, and tell me how Employers
Mutuals can save money for me on insurance for my automobile.

Make of Car.....Year.....Model.....Body.....

Name.....

Address.....

City.....

Zone.....State.....



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INSURANCE
UNDERSTANDABLE

DOES YOUR BUSINESS

NEED MORE CASH



for

working capital or any other sound

business use? Whether you need

thousands



or millions

send for our book, "A Better Way

To Finance



Your Business."

Learn how little money costs

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...how much more

\$

you can get

...and how long



you can

use it under our liberal, low-cost

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*Just write or telephone the nearest
Commercial Credit office listed below.*

COMMERCIAL FINANCING DIVISIONS:

Baltimore, New York, Chicago, Los Angeles, San Francisco, Portland, Ore.



FINANCING OFFICES IN PRINCIPAL CITIES OF THE UNITED STATES AND CANADA

transfer him to a job that does not involve material-handling hazards.

Beyond this, better training of supervisors and personnel people would pay off. For one thing, financial difficulties take a toll of the worker's coordination and attention. Bill King, with his loan shark problem, isn't a unique case. Few men can work well when they're beset by financial devils.

Usually such worries have a way of lessening considerably after they're talked over with another person, particularly if the other person is a sympathetic supervisor or personnel officer who, if nothing more, can lend moral support and who, frequently, may be able to offer good clear-headed advice.

A death in the family, a broken engagement, a fire, or what not may put a man into a temporary daze. A few days of inaction will pay off in increased efficiency and freedom from accidents.

One of the most important single aids in the accident-prone situation is employment of a competent psychiatrist. In smaller companies, his services could be spread among and financed by a group.

The psychiatrist can gain the confidence of the employe and determine underlying facts as no other individual can. He can, moreover, often aid the individual to solve his personality problems.

Nervousness and accidents

WHEN one plant checked its records and found that a few people in one department were having an undue number of accidents, the company psychiatrist was called in. The people having the accidents were all found to be of the nervous type.

But the psychiatrist discovered another fact—that the basic cause of the accidents wasn't in the nervousness of the individuals having them. It lay in a maladjusted supervisor who constantly provoked and augmented the nervousness. The psychiatrist's work with the supervisor soon put a stop to the accidents.

In another plant, a male worker of 50 was found to be having far too many accidents. The supervisor could offer no explanation. The man, he reported, was an efficient, dependable worker. The safety engineer spent several afternoons watching the man work, trying to find a lead. He, too, could see no fault.

Finally, consulting the records, the engineer discovered that most of the accidents had been happening in the morning, within an hour

after the man went to work. But that provided no clue until the psychiatrist had several talks with the employee.

The facts were simple. The man had a hernia. It didn't really bother him but he had heard a rumor several months before that the company was setting up new standards which would bar men with hernias from doing his type of work. He was worried. His worry was particularly pronounced when he first came to work and before he settled down into the routine of the job.

The psychiatrist checked the rumor, found it entirely false, and told the man so. He hasn't had an accident since.

Psychiatry pays off

A NUMBER of leading corporations have already gone in for psychiatric help for their employees. They've reported that such help pays off not only in fewer accidents but also in more efficiency and in lower absenteeism rates.

Recognition of the accident-prone problem is growing rapidly. Among the companies who are searching for answers to it are Bausch & Lomb, Socony-Vacuum Oil, Westinghouse Electric and Manufacturing, Schenley Corporation, and American Home Products, to name but a few.

For a long time, progressive industrialists have recognized that more workers are killed and injured every year by accidents at home and elsewhere than at work, and that the employee thus disabled becomes an economic liability instead of an asset to the employer as well as the community.

His absence from work means loss of production, replacement by a less experienced man, or the cost of hiring and training a new employee. The annual loss to American industry from these off-the-job accidents runs into billions of dollars. The accident-prone individual who can be helped in the plant to be accident-free is likely to be equally so off the job.

And the fact is that the accident-prone individual *can* be detected in the plant and helped there. Some day—the present growing interest guarantees it—there'll be precise tools to do the job.

Meantime, however, practically any progressive employer can go a long way with the tools available—better hiring and placement, more complete records, education of supervisors, special training, and, where possible, employment of a full- or even part-time psychiatrist.



Not at all.

Not for companies whose trade-marks appear in the 'yellow pages' of telephone directories—the easy, economical way to tell the public where to find their authorized outlets.

Not for you if you follow this reasoning: You spend money in advertising, getting people interested in your brand and obtaining dealers. So the easier you make it for prospects to find your dealers, the more sales for them and you.

Here's how:

With Trade Mark Service in the Classified section of the telephone directory. Your trade-mark—like the many well-known trade-marks you can see in your own telephone directory—is displayed over your dealers' listings under the business classification of your product. You can buy this dealer identification in one or all of the 1600 directories that cover the nation.



For further information, call your local telephone business office.

Amsterdam Looks at Itself

By HUGH P. DONLON

WHEN THIS city invited people to criticize things it started something. What some had to report surprised the sponsors

FOR YEARS cities have been using promotional programs to attract attention to their areas. New Orleans has its Mardi Gras, Pasadena its tournament of roses, and Winchester, Va., its apple festival.

All of these, with the exception of the Mardi Gras, have been more or less direct attempts to train the publicity spotlight on the advantages or products of the community.

It remained for a modest-sized city in the historic Mohawk Valley in central New York State to use a promotional plan—in reverse. For years Amsterdam, N. Y., has been identified as a mill town.

Like many another place, Amsterdam seemingly had been content to move along at its own pace. But, unlike some of these places, this community sheltered a few persons who wanted to bring about changes they believed desirable.

It was this characteristic of human nature that sparked the movement that now threatens to put this city on the map as a civic-minded community second to none.

It was decided to stage a letter-writing contest entitled "What I Don't Like About Amsterdam," with the local chamber of commerce the guiding force behind the campaign. Conservatives among the 34,000 residents shook their heads. The idea of advertising a community's defects was looked upon as bordering on the ridiculous.

But many harder residents stood ready to let loose with a literary haymaker in protesting home-town conditions. As might be anticipated, the chips fell in many places where responsibility was placed on this or that municipal department, official or civic group. It was evident that not a few were of the opinion that it is sometimes necessary to tear down in order to build up.

The gripes ranged from dissatisfaction with the taste of the city's water to the lack of a curfew law for children up to 16 years old. There were gripes about the presence of habitual bums in the city park, and about department store clerks not exhibiting the proper brand of courtesy.

There was the suggestion, for instance, that more Sunday evening church services be held. There were others calling on merchants to stop street-by-street organizing and unite for a common purpose.

Other writers urged that a thoroughfare be planned to parallel Main Street, the city's chief



**Bums in parks
and lazy clerks
became victims**

traffic artery; that land formerly used as a dump be converted into a playground.

More than 100 phases of community life came in for consideration. The majority of writers expressed opinions on the limited scope and deficiencies in the city's recreational program. The condition of streets brought the second largest number of criticisms; irregular collection of refuse the third.

As in any letter writing contest, some replies were received from people who merely wanted to let off steam. In certain instances criticisms were unwarranted. The contest did serve, however, to draw attention to conditions that could be remedied.

The letter that won first prize was a simple appeal to people to work together. The writer deplored what was termed the lack of civic pride among a larger number of the citizens, pointed out that people are prone to blame a city administration or a chamber of commerce for conditions for which the individuals themselves are responsible.

The writer ended his letter with a call to fellow townspeople to adopt the motto: "All for one and one for all," if they would have civic improvement.



Why some things get better all the time

HOOP SKIRTS AND PRINCE ALBERTS are only fond memories now. Far smarter the styles of today . . . and equally striking are the constant *improvements* in the *quality* of clothing.

There now are beautiful synthetic fabrics, in stunning variety—all made possible by chemistry. And woolens, cottons and other fabrics are processed and dyed more effectively—thanks to special new chemicals, and equipment of stainless steel. There are eye-catching hat decorations, smartly styled footwear, buttons, belts and suspenders of colorful long-life plastics. And rainwear of vinyl plastics provides new comfort and protection in stormy weather.

Clothing for just about any occasion is today more attractive and more serviceable than ever before . . . because it is made of things that are *basically better*.

Producing better basic materials for the use of science and industry and the benefit of mankind is the work of UNION CARBIDE.

Basic knowledge and persistent research are required, particularly in the fields of science and engineering. Working with extremes of heat and cold—frequently as high as 6000° or as low as 300° below zero, Fahrenheit—and with vacuums and great pressures, Units of UCC now separate or combine nearly one-half of the many elements of the earth.

UNION CARBIDE
AND CARBON CORPORATION

30 EAST 42ND STREET **UCC** NEW YORK 17, N. Y.

— Products of Divisions and Units include —

LINDE OXYGEN • PREST-O-LITE ACETYLENE • PYROFAX GAS • BAKELITE, KRENE, VINYLON, AND VINYLITE PLASTICS
ACHESON ELECTRODES • EVEREADY FLASHLIGHTS AND BATTERIES • NATIONAL CARBONS
PRESTONE AND TREK ANTI-FREEZES • ELECTROMET ALLOYS AND METALS • HAYNES STELLITE ALLOYS • SYNTHETIC ORGANIC CHEMICALS

FOR THE HIGH TIDE OF FOREIGN TRADE

Direct Service to or from Ships!



**FIVE GOOD REASONS FOR LOCATING
YOUR NEW PLANT ALONG THESE LINES!**

- Direct service both ways between ships and any point on the Pennsylvania Railroad! (See map.)
- Specialized shipside facilities for handling water-borne freight—enclosed piers, grain elevators, coal docks, ore docks, produce terminals plus a big fleet of lighters, ferries, tugs.
- World-wide export-import organization to help you market or buy abroad.
- 3400 freight trains, 1300 passenger trains a day—to give you the best by rail.
- Main highways all along the line, fed by fine secondary roads—to give you the best by truck.



PENNSYLVANIA RAILROAD

Serving the Nation

FOR DATA ON AVAILABLE BUILDINGS AND SITES CONSULT THE FOLLOWING PENNSYLVANIA RAILROAD INDUSTRIAL AGENTS:

CHICAGO • Union Station
C. D. WILKINS

INDIANAPOLIS • Union Station
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PHILADELPHIA • Penna. Sta.—30th St.
B. K. WIMER

NEW YORK • Pennsylvania Station
D. B. LENNY

H. C. MILLMAN, Broad St. Station Bldg., PHILADELPHIA

A Legal Key to Davy Jones' Locker

(Continued from page 45)

The problem is how to get it out. Some of the domes rise to within eight feet of the surface. Others are submerged to considerable depths.

A line of domes runs through the Gulf from the coast of Louisiana to the coast of Texas. There are 184 domes, 43 of which are on dry land. On the land, they are producing in huge quantities. Oil companies are sinking wells in the shallow coastal waters and tapping this enormous pool by agreement with the states which claim jurisdiction up to the three-mile limit. In the case of Texas, the limit is stretched to 30 miles, because Texas was a full blown state when it joined the Union, and had fixed its jurisdictional limit to suit itself. The conflict between the states and the federal Government over the jurisdiction to which this coastal oil belongs was carried—loudly—to the Senate when the so-called "tidelands" bill was being debated.

A decision is impending in the Supreme Court as to whether the states or the federal Government hold or should hold title to the coastal oil.

141 domes in Gulf

NO matter what that decision may be, the coastal oil is presumably a mere pint measure compared to the oil pool which is believed to lie beneath the waters of the Gulf. Of the 184 salt domes that have been located, 141 are in the Gulf. These domes may best be explained by a quotation from *The Lamp*, official publication of the Standard Oil Company of New Jersey:

"The earth's crust is subjected to internal forces. Every now and then these push up parts of the sea floor to form new lands, exposing layers of mud and sand which accumulated during previous eons of erosion. It is such vast earth movements that in the ancient past created oil traps. And therein is the secret of petroleum geology—the search for places in the earth's crust in which marine life of millions of years ago might have been transformed into petroleum and preserved for use today."

The Coast Guard located the domes underlying the surface of the Gulf by the use of the fathometer, a device which, by timing the reverberations of sound, accurately measures the depth of wa-

ter. The mapping of the varying depths is necessary to ensure the safety of navigation, because a salt dome which is only eight feet below the surface, as many of them are, would appear to navigators as a peculiarly dangerous shoal.

Drilling is active in many places along the coasts. In Galveston Bay, for example, the water is from seven to nine feet deep. Submersible barges are towed to the area selected for drilling. Sunk by letting water into the hulls, the barges rest on the bay's bottom while the drilling rig erected on them sends its pipes down to the oil strata. When the well produces oil, or dust as the case may be, the barges are refloated and towed to another site.

The drilling rig in place on the barges costs about \$500,000. Labor and materials cost more than ever before and the cost is rising. Five miles off the Louisiana coast, near Magnolia City, a Socony-Vacuum affiliate is drilling an 8,000 foot well through 16 feet of water. The outfit may go farther out if prospects of finding oil are good. Standard Oil of New Jersey will drill in five feet of water off the North Carolina coast in Pimlico Sound.

There is an oil well ten miles out in the Gulf of Mexico. A drilling platform is under construction 29 miles offshore, and another nearly 20 miles out. Both are in shallow waters. No one has yet undertaken to drill in really deep water. Marine drilling has all the problems of desert drilling and a few peculiarly its own. The War Department must approve the erection of any structure in navigable waters. Boats must be bought, licensed and inspected. Their operators also must be licensed. Licensed radio operators must be aboard. When drilling occurs where vessels may pass, standards governing lights, whistles and foghorns must be met. Various automatic devices shut off the flow if a ship or dragging anchor fouls the pipe. Precautions are taken to prevent pollution of the water. Once completed, the well is watched more carefully than a coal mine.

The thrust of waves may shear off piping anywhere near the surface. Thirty or 40 feet below the water level the seas are unfelt. Storms move only the top water. The vast underlying mass of water is not stirred by the overhead tumult.

If we are to tap this "deepwater

oil"—a term coined for convenience—a new method is necessary. It would not be possible to drill from any ordinary floating platform, nor would it be practicable to erect a concrete tower in water 80 to 90 feet deep and on a bottom of an unknown depth of silt. For a time it began to look as though all that legal canoodling which preceded the hanging of Henry Jones had been useless as the overture to the extraction of the presumable billions of tankcars of deepwater oil.

Then what may prove to be the answer to the problem came to the fore. The Armstrong Seadrome Company earlier had proposed a plan to erect stable platforms in deep water. The original inspiration dates back to the days when airplanes could not carry enough gasoline and oil plus a payload of passengers and freight to cross the Atlantic.

Man-made floating island

THE plan was to anchor a platform buoyed on hollow tubes, stoppered at the bottom, half way across the Atlantic. The surface would be long and wide enough to afford landing facilities to planes along with storage tanks for fuel and housing for personnel. It would be elevated out of any possibility of the battering contacts with waves and anchored to the seabottom. A series of anchor chains extended at diagonals from the seadrome would, at least in theory, do away with the possibility of drift. The Armstrong seadrome aroused an immense scientific curiosity. On the whole reaction was favorable.

The company was about ready to undertake an initial venture in the Atlantic when first the war and then the enormous improvement in airplane efficiency stalled the project. In the early days of the war in the Pacific plans were made ready for the anchoring of a series of seadromes at intervals across that ocean.

The success of the American Navy in clearing the seas of Japanese war vessels put a stop to the experiment.

But if drilling rigs can be used on stable seadromes, the problem of tapping the lake of oil which underlies the Gulf of Mexico would be solved. Mr. Truman's proclamation then would come into its own.

In some distant land of the spirit, Henry Jones, hanged for an ax murder, might take a bow.

It is, of course, a cockeyed narrative. But true.

Is the "Whirligig" for You?

(Continued from page 50)

He had forgotten that a helicopter has the advantage of being able to fly not only forward, but backward as well! Airplane pilots need training before they can fly helicopters.

Nor is the helicopter stable like a modern airplane, which can be flown hands-off for ten or 15 minutes at a stretch. Because the helicopter lacks stability, it has to be controlled all the time. Contrary to public opinion, there is no mental or physical relaxation for the pilot, and so far no automatic pilot has been developed.

And what about cost? Someone once asked J. Pierpont Morgan whether a yacht was terribly expensive. Said Mr. Morgan, "Sir, if you have to think about the expense of a yacht, you cannot afford to buy one." A helicopter is not quite in the class of a luxurious yacht. But in these days of high prices, and higher taxes, perhaps you would like to know something about cost and how much transportation you would actually get for your dollar.

The best way to answer these questions is to compare a couple of specifications, one for a helicopter, the other for a conventional airplane.

The Sikorsky S-51 is a four-place helicopter powered with a 450-

horsepower Pratt and Whitney engine. The S-51 has a fuel capacity of 100 gallons, a range of 245 miles and a speed of 110 miles an hour. It weighs 4,985 pounds fully loaded and costs \$48,000.

On the other hand, in the North American Navion, a conventional four-place cabin machine, the engine is only 185 horsepower, weight 2,750 pounds, and fuel capacity is only 40 gallons. But how much better is the performance of the Navion—top speed of 160 miles an hour, and range of 500 miles. And the cost is only about \$6,000. Perhaps you will make your own comparisons with what you could get for \$48,000 in the way of automobiles!

Of course, a direct comparison between helicopter and airplane is not quite fair. The helicopter can do many things the fixed-wing aircraft cannot, and is much closer to the utility of a family car.

For short ranges, the rotary aircraft might actually be faster than the plane because no time would be lost in going to the airport, pulling the airplane out of the hangar, taxiing out to the runway and repeating the nuisance at the other end. If you are going in for private flying, then you would like to house your own aircraft right next to the family car.

The difficulties and limitations of the helicopter are under constant attack. Bell Model 47, a two-seater with a 175 horsepower engine, can fly well over 100 miles an hour and costs \$25,000. Bell Aircraft, while taking great care to train pilots, also uses a stabilizing bar, which does not give complete stability but helps the pilot.

The Firestone Tire and Rubber Company has brought out a small two-seater of only 125 horsepower which has created a very favorable impression.

Bendix Helicopter has been flying a small single-seater with two superimposed rotors turning in opposite directions; this configuration does away with the tail rotor and might make handling and housing easier.

Why the higher cost?

BUT the disparity in cost and performance remains, and you cannot forget them if you are thinking of buying a helicopter.

What are the reasons for this great difference? The lower speed of the helicopter is easily explained. For one thing, the blade tips of the rotor move in a circle and travel many times the distance the helicopter flies straight on its way. That means more power in overcoming the friction of the air.

The difference in cost is just as easy to understand. First of all, the helicopter is in the pioneer stage, built in quite small numbers.

Second, it has revolving blades which are more difficult to build than fixed wings.

Third, it has additional mechanism, such as a clutch, transmission gears, an over-running device (so that if the engine should fail, the blades can keep safely revolving in the same direction). In fact, building a helicopter combines the skills of both an aeronautical engineer and an automobile designer.

Another question you might ask is: "How safe is the helicopter?" Probably much safer than the airplane, less weatherbound, able to operate when the most modern airplanes are grounded, and able to use almost any small patch of clear ground for emergency landing.

But safety requires freedom from vibration in the rotor, perfectly balanced blades. The American family demands and obtains refrigerators, washing machines and cars that scarcely need attention. If you buy a helicopter with the same expectation, you will be disappointed.

Its maintenance requires a high-



Tests in spraying and dusting crops from the air have shown the helicopter is more effective than the airplane

ly skilled mechanic, constantly employed, always on the alert. The life expectancy of a helicopter is about 3,600 flying hours. Sikorsky Aircraft will tell a prospective customer that during this life period, he will have to buy as major replacements three sets of main rotor blades, three sets of tail rotor blades, 12 sets of main rotor head bearings! Few motor cars would be sold if three transmissions, three differentials and as many rear axles had to be bought during a single ownership.

Does all this mean that the helicopter must wait long years before it can be put to work? Not at all. The helicopter can be and will be immediately useful if pilots and mechanics are well trained, and provided you or your firm will use it in industrial and business applications for which it is better fitted than any other vehicle and in which cost and speed are relatively unimportant.

The record of its achievement in civil aviation alone is already a splendid one.

For specialized jobs

AFTER seeing the work of a Bell Aircraft Model 47, Robert J. Lewis, an inspector of the New York Power Commission, said bluntly, "A helicopter patrolling overhead power wires can do in two hours work which it would require two men two days to accomplish."

Tests in spraying and dusting crops by the same helicopter in the Yakima Valley in Washington showed that the helicopter, which can concentrate on a particular area, is more effective than the airplane in this type of work. And because the chemical dust is driven downwards and agitated by the wash of the giant rotor, it reaches the underside of the vegetation as well as stems and stalks.

The Model 47 also proved most useful in a mining survey made in northern Canada with the aid of a magnetometer, a delicate instrument which responds to the presence of iron ores in the ground. Dr. Hans Lundberg, explorer and mining engineer in charge of the survey, found the helicopter better adapted to such work than the airplane.

In still another application of national importance, the U. S. Forest Service, using specially equipped Sikorsky R-5's, made tests of fire detection and fighting in California's national forests. The helicopters detected fires, circled over them, determined the best point of attack, landed equipment and

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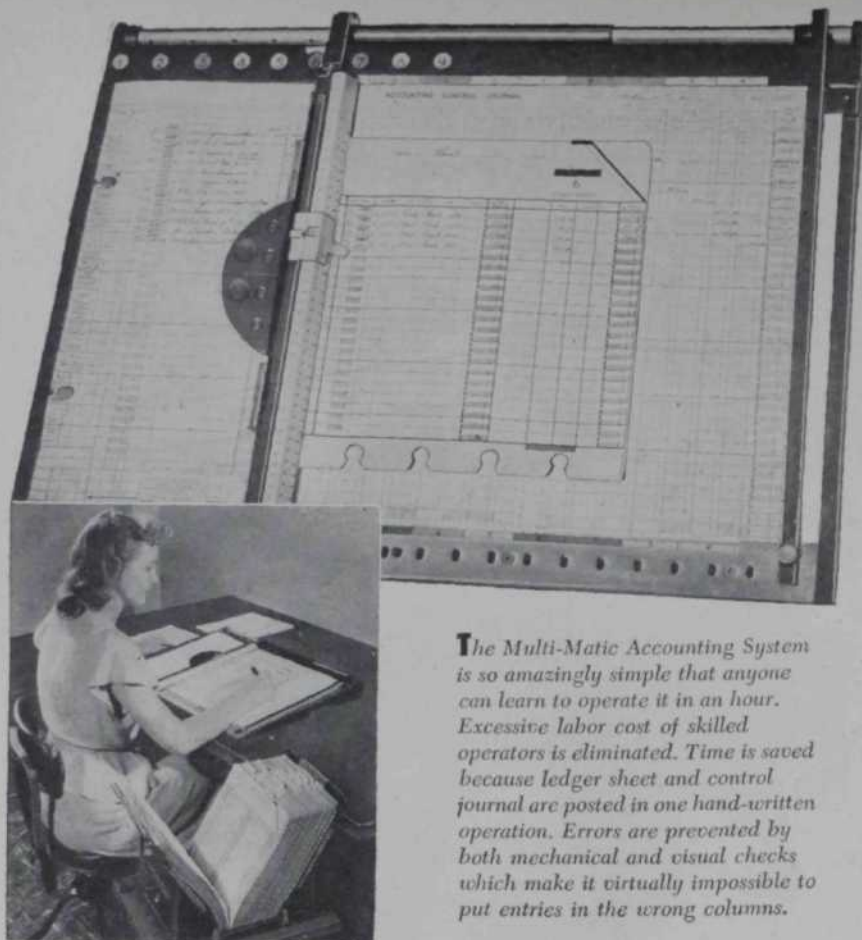
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Multi-Matic furnishes all the data necessary for preparation of Income, Social Security, Federal Excise and Sales Tax returns. But that is not all! The same equipment gives you a Simplified Payroll System. Inexpensive stock forms are available which provide a complete Employee's Earnings Statement with payment either by cash or by check.

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THE FIRST NAME IN BUSINESS SYSTEMS

crews. The tests were brilliantly successful.

Time lost in carrying mail to the airport robs the airplane of part of its effectiveness. The Post Office Department has now made experiments with the Sikorsky R-5's in the Los Angeles area in the collection and delivery of mail by helicopter from various post offices to the Municipal Airport. The best proof of the saving of time realized in these tests is the fact that the Post Office will now seek permission from the Civil Aeronautics Board to establish helicopter services between the main post office and airport in several metropolitan centers—New York, Chicago, Philadelphia, Boston and Los Angeles.

Great Lakes Greyhound Lines has purchased two S-51's and carried out a demonstration of the transfer of bus passengers to helicopters on the Willow Run super-highway near Detroit. Greyhound is planning coordinated use of motorbus and helicopters on 50,000 miles of its total of 63,000 miles of routes. Finally, Civil Aeronautics Board examiners have recommended helicopter passenger service in several large city areas.

Specially trained pilots

THESE examples do not exhaust the list of achievements. We read of other successes and applications almost every week. To meet the problem of skilled pilots and mechanics, Bell Aircraft Corporation has established a special school. Larry Bell, president of this company, will sell only to reliable firms, and only if the services of a competent pilot are assured. "We are not," says Mr. Bell, "going to get a black eye for want of trained fliers."

Thus there is little doubt that the helicopter is ready for business and industrial service.

But you, or the treasurer of your company, or some other business-minded person, will ask, "How much will it cost to operate?"

Gael Sullivan, assistant postmaster general, estimates the cost of operating an R-5 at \$37.36 an hour, or roughly 50 cents a mile. Edward M. Benham of Sikorsky tells us that if their four-seater machine is used 900 hours a year, costs including fuel and oil, maintenance, depreciation, replacements and overhauls, pilot pay, insurance and hangar rental will work out at \$45.64 per hour. With an average speed of 75 miles an hour, this means 61 cents a mile, or 20 cents per passenger mile. A

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The 287 million dollars paid out by The Equitable Society during 1946 was used for just such purposes as these. Widows, children and other beneficiaries, for instance, received 101 million toward their support. Another 35 million was paid out as retirement income. Through Group Insurance, benefits of over 56 million in death, disability and pension payments helped relieve distress in workers' families. Other benefits, including dividends to policyholders, totaled 95 million dollars.

To its 3,500,000 members throughout the land, The Equitable Society is the promise of family security. Joined together in this great co-operative enterprise, they have increased the amount of life insurance they have in force by over 1350 million dollars during 1946 . . . now own over 10½ billion dollars worth of peace of mind.

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The benefit payments distributed by The Equitable Society over the course of the years, together with the funds held to fulfill present policies, exceed by 1300 million dollars the total amount of premiums received by the Society since its founding. This year alone nearly 52 million dollars has been set aside

for payments to policyholders as dividends, thus reducing the net cost of their protection.

By investing more of their earnings in life insurance than ever before, the American people are achieving a two-fold objective. Aside from the primary purpose of providing systematically in advance for their future security, they are helping to combat the inflationary forces at work in our economy.

Preserve Value of Dollar

The decline in the "real" value of the dollar continues to be a matter of major concern to all thinking Americans. In the interest of its policyholders and all other people of our country, the management of The Equitable Society will continue to urge the adoption of a national fiscal policy which will preserve the "real" value of the savings of the American people.

THOMAS I. PARKINSON, President

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pilot-owner would reduce this cost to 15 cents per passenger mile.

These figures will not fit the family budget any better than the initial cost of \$48,000. But they may be justified in business use.

What could be such practical uses besides those previously listed? Some enterprising young men will study the achievements and performance of the helicopter, go carefully into costs and decide for themselves where and how it can be used. You may be interested in these random thoughts.

Many jobs for helicopters

SERVICING large airports—inspecting runways, markers and boundary lights—can be better done by helicopter than by automobile.

Oil companies can use the helicopter for petroleum surveys and maintenance of pipe lines.

Mining machinery often has to be transported into remote places by mule power. Why not by the helicopter?

Men working on rubber or mahogany plantations in the jungle would soon clear enough land to welcome a helicopter with supplies.

Igor Sikorsky talks of guiding fishermen to schools of tuna and mackerel. Airplanes have transplanted fish from hatcheries and maybe the helicopter could do the job better.

Macy's in New York and Bamberger's in Newark talk of exchanging goods and executives by helicopter roof landings to avoid traffic congestion. Why not parcel delivery by air—rotary aircraft can pick up and deliver without actually landing?

United-Rexall Drug Company has bought a Bell machine for first aid in disasters, carrying food and drugs to people marooned in floods, for example.

Biological experts, flying low and slowly, could spot plant diseases and prevent their spread.

The Army Air Forces is interested in a huge helicopter to serve as a flying crane. What a boon it would be to the contractor to be able to bring a large building block or a girder through the air and deposit it gently and exactly where wanted! Ambulance service, logging operations, telephone wire and cable laying are other possibilities.

After all, the helicopter has had but a fraction of the development effort that the airplane has enjoyed. In Winston Churchill's famous phrase—"it stands only at the end of the beginning."

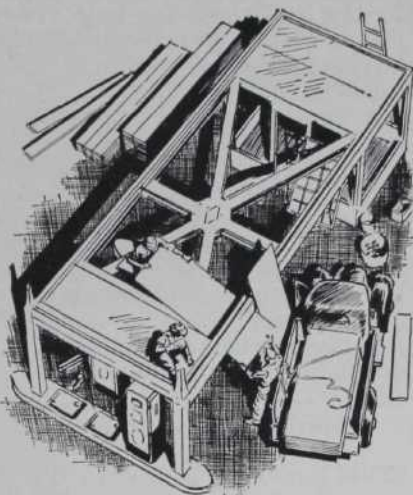
Net Profit \$253²⁶



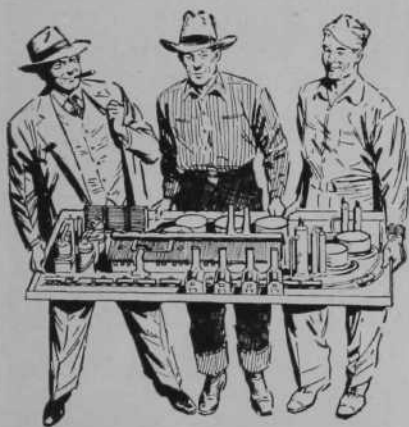
1. In 1946 the owners of Union Oil Company made a total net profit of \$8,867,023. Most of us will admit that almost 9 million dollars is a lot of money. But what many of us fail to consider is that those profit dollars were divided among a lot of people.



2. For Union Oil Company is owned not by 1 man or 2 but by 35,012 individual Americans—enough to fill a good-sized ball park. Divided among that many owners, the net profits actually averaged just \$253.26 per common shareholder.



3. Even this sum wasn't all paid out in dividends. \$4,200,753 was left in the business. So dividends paid out—money that actually went to the owners—averaged just \$133.28 per shareholder, or \$11.11 per month. Wages paid out, plus the cost of retirement and other benefit plans, averaged \$3,522.70 per employee, or \$293.56 per month.



4. In other words, while Union Oil Company looks pretty big from the standpoint of all its oil wells, refineries, service stations, etc., the company is actually owned—and the profits shared—by ordinary Americans like you and your neighbor next door. 70% of these owners live in the West.



5. There are 56 in Spokane, Washington; 10 in Grants Pass, Oregon; 177 in Bakersfield, California, etc. 2,150 are Union Oil employees. The average shareholder owns 133 shares—about \$2,900 worth on today's market. Some own less than this, some more; but the largest owns only about 1% of the total shares outstanding.



6. So it is not the investments of a few millionaires, but the combined savings of thousands of average citizens, that make Union Oil—and most American corporations—possible, and without some such method of providing the necessary tools, American mass production which is based on free competition could never have been accomplished.

UNION OIL COMPANY
OF CALIFORNIA

This series, sponsored by the people of Union Oil Company, is dedicated to a discussion of how and why American business functions. We hope you'll feel free to send in any suggestions or criticisms you have to offer. Write: The President, Union Oil Company, Union Oil Bldg., Los Angeles 14, Calif.

AMERICA'S FIFTH FREEDOM IS FREE ENTERPRISE

Someone Asked Them to Do It

(Continued from page 42)

marketing the surplus the farm no longer needed. Farmers began to feel the need for help. They looked to their Government. It was largely from this pressure that the Department developed.

A case in point is the development of the Department's system for gathering and distributing information on crop and livestock production. Before the Government got into this activity, buyers developed their own crop reporting systems which put farmers at a disadvantage. Lacking data on supplies, markets and prices, farmers lost many bargaining tilts.

Statistics by volunteers

TODAY more than 400,000 voluntary crop reporters, mostly farmers, help the Department collect such statistics. Officials say this information places the farmer in a position to deal on an even basis with those who buy his products and helps protect consumers against excessive prices.

Informational material issued in recent years can be divided into seven rather general categories:

First, factual information: This deals with scientific and technological subjects and is designed to tell the "what and how to do." Crop and marketing statistics fall in this category.

Perhaps the best example of this class is a group of some 700 publications called "farmers' bulletins"—printed pamphlets or booklets covering in detail various phases of farm production, gardening and homemaking. They pass along information on how results of scientific research may be translated into practical use.

Incidentally, Congress itself issued the first bulletin, Count Von Hazzi's "A Treatise on the Rearing of Silkworms," in 1828. There was an idea at that time that silk culture could be established here.

These bulletins provide a low-cost, mass production method of providing information. When a farmer requests, for example, information about a poultry disease,

the Department sends him a bulletin containing the answer. It costs only a few cents. If there were no bulletins, a poultry specialist might have to gather the information and write an answer with the cost ranging from perhaps 50 cents to several dollars.

Although the Department distributes none of the bulletins except upon request, some 48,000,000 of these and other publications went out in the past fiscal year to city as well as rural areas.

About new regulations

THE second category of informational matter put out by the Department is designed to inform the public of regulatory orders issued by the Department. In this class fall the recent press releases announcing the order that closed the border to importation of livestock from Mexico because of a reported outbreak of the hoof-and-mouth disease there.

It is important the public know about such orders because the courts have held that regulations can be made to stand up only if they are adequately publicized. Courts have accepted press re-



Transmittal of market reports is an important activity of the Department of Agriculture

U. S. D. A. PHOTO BY KILLIAN

problem...



solution

result...



For many years man turned to nature for poisons to kill the insects that ruined his crops and menaced his health. Now, man-made chemicals, such as Hercules Toxaphene, Thanite, and DDT, do the job quicker and more effectively. Deadly to flies, mosquitoes, roaches, and other insect pests, they furnish the killing power for today's vastly superior insecticides.

* **TO KILL FLIES AND OTHER INSECTS QUICKLY** ... another development utilizing Hercules chemical materials as described in the free book, "A Trip Through Hercules Land."



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CHEMICAL MATERIALS FOR INDUSTRY

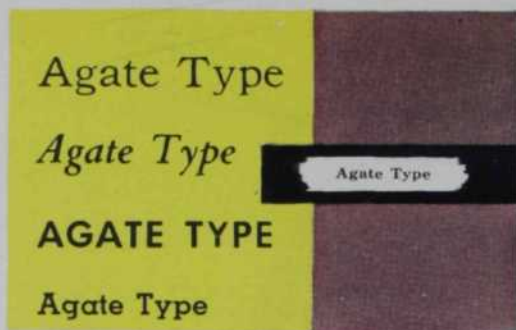
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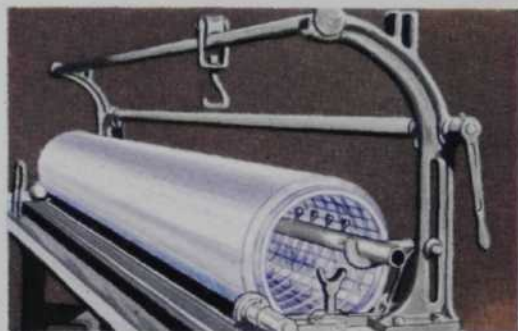
1. Agate Type

- ☐ Display type for headlines
- ☐ 12-point body type
- ☐ 5½-point type



2. Supercalendered Finish

- ☐ Machine-produced finish on paper
- ☐ Varnish coating on paper
- ☐ Special paper for printing calendars



3. Dandy Roll

- ☐ Inking roller on a press
- ☐ Engraver's tool
- ☐ Roll used to smooth or watermark paper



4. Mortise

- ☐ Dead printing form
- ☐ Cut-out in a printing plate
- ☐ Electroplate mold

ANSWERS

1 Agate Type is 5½-point type, a diminutive size. Check a line of agate type printed on the white, even surface of new 1947 Trufect. See how the delicate characters stand out in sharp definition. You'll find this one proof of new Trufect's fine ink receptivity.

2 Supercalendered Finish is a mechanically-produced finish on paper, obtained by pressing the sheet between alternating hard and soft rolls. Such a fine finish is a feature of new 1947 Trufect.

3 Dandy Roll is a skeleton roll which is supported above the Fourdrinier wire and is used to watermark paper or to smooth its surface. A smooth paper which combines quality and economy for volume printing is new 1947 Kimfect.

4 Mortise is the term for a cut-out in a printing plate, a word familiar to printers and ad-men. Familiar also is another word, "Levelcoat", a brand name which identifies a nationally-known line of fine, dependable printing papers.

Levelcoat*

PRINTING PAPERS

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KIMBERLY-CLARK CORPORATION

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*TRADEMARK

1872—SEVENTY-FIVE YEARS OF FINE PAPER MAKING—1947

leases as evidence of adequate publication.

A third type of material attempts to interpret facts. Examples are periodical reports on various farm commodities, in which the Department attempts to interpret facts about production, supplies and market conditions in terms of what they mean to future prices, income and demands.

A fourth category uses facts to influence the public. Examples of this include the great quantity of material distributed in the '30's to win farmer cooperation on the controversial Agricultural Adjustment Administration's crop control programs.

Much of the informational material dealing with the crop control programs drew criticism as propaganda designed to seduce the farmer into accepting government regimentation. The Department defended this material on the ground that since Congress had authorized the control programs, the agency had to do all it could to make them work. The programs could not operate successfully, officials said, unless farmers were persuaded to cooperate.

Material used during the war to encourage farm production also falls in this category. This material was, for the most part, praised.

Entering controversy

IN a fifth category is material which places the Department in the position of advocating a cause, or of taking sides on a controversial political or economic issue.

This type of material, which probably has drawn more criticism than all the others combined, constituted a much larger proportion of the Department's releases when Henry A. Wallace was secretary than it does today. Much of the Wallace material was built around the theme that "we must invent, build and put to work new social machinery."

Typical examples include a number of pamphlets urging farmers to support the Administration's trade agreement program and calling upon the public to support measures designed to give the Government broad controls over privately-owned forests—both are controversial issues.

Also in this category is a booklet entitled "Achieving a Balanced Agriculture," which told farmers that one cause of

their problems was the "growth of monopoly and price-fixing by corporations." A similar booklet suggested that farmers should organize to gain "the same powers that business men get by organizing corporations and associations." The Department also has suggested that farm laborers should organize to obtain economic demands like "trade unions do for city workers."

Hard to justify

MANY top-ranking Department officials agree that much past material of this type might be difficult to justify. An official in position to judge all the Department's informational activities says that the quantity of material of this controversial type has declined sharply in the past few years.

"The character of the Department's informational material is controlled largely," he said, "by the character of the secretary of agriculture and the political complexion of Congress. We could put out material in the days of Henry Wallace and the early New Deal Congresses which we would not dare issue under Secretary Anderson and the present Republican Congress."

A sixth informational category includes material outlining political, economic and social beliefs of the secretary of agriculture and other top-ranking officials. This type is largely limited to speeches which are distributed to newspapers and press services. The Department avoids issuance of purely partisan political speeches.

The seventh category takes in social studies and surveys made by the Department. A series of published studies on the culture of a group of typical rural communities offers an example. These studies included social as well as economic phases of rural life.

One of them reported on the

drinking habits of a particular community with these words:

"There is little excessive drinking in the county and it is severely frowned upon. Neither is there 'social drinking.' Cocktails or similar drinks are seldom served. The drinking, done largely by men, is mostly 'straight' from the bottle—in the barn, in the car or down an alley."

As a result of congressional criticism this type of survey has been sharply reduced.

Some lawmakers—particularly Rep. John Taber of New York, chairman of the House Appropriations Committee and critic of informational activities—have complained about expenditures for preparation and issuance of press releases, which sometimes are contemptuously called "handouts." The Department issues these releases to inform newspaper, radio and magazine reporters of its day-to-day actions and orders pertaining to its wide field of activities. The Department issues an average of about 2,500 such releases a year.

Purpose of press release

CRITICS claim the releases make reporters "lazy," offer bureaucrats an easy way of getting propaganda palmed off on the public, and that they are an unnecessary expense.

Officials defend the press release on these grounds:

1. It provides a quick, effective and cheap method of keeping the public informed.
2. It saves valuable time for administrative officials.
3. In case of many regulatory actions, it helps provide the necessary legal notice which the courts have ruled the Department must give.

The Department points out that a survey of the relative costs of various methods of getting information to farmers showed the press release to be the cheapest. Other methods ranked in this order: circular letters, meetings, office calls, bulletins, farm or home visits by farm officials, demonstration methods, correspondence, telephone calls, extension schools and exhibits.

The fact that the newspaper publisher bears part of the cost of preparing the news story and all



★ *Where DO WE GO from Here?*

ARE WE entering a period of increased prosperity? Or are we headed for a tailspin?

The air is filled with prophecies, many of them dire: Labor troubles, strikes, a falling off in production, international tensions—depression.

We hear also a note of optimism: Improved techniques, new discoveries, new products, new markets, new industries—long-sustained prosperity.

BUT OF THIS we can be sure: If we are to have continued freedom and plenty in America, each one of us who is interested in business must do his part. The job is as hard as winning a war.

No amount of optimism can discredit the fact that today we are up against tough problems—problems which, in many ways, are more perplexing than any we have ever faced before.

JUST WHERE we go from here is a matter of choosing the right direction, figuring out how to remove the obstacles, and then keeping up enough steam to keep moving forward.

This calls for the business leaders of the country getting together to analyze today's problems realistically, and to chart tomorrow's course. This is the purpose of the National Chamber's 35th Annual Meeting. You are needed at this meeting. You will benefit by attending.

35TH ANNUAL MEETING

Chamber of Commerce of the
United States of America



WASHINGTON • DC • APRIL 28 to MAY 1

★ the cost of its publication, largely accounts for the relative economy of the press release method, the Department said.

To carry out its activities, the Department has about 71,000 full-time employees and about 17,500 part-time workers. These figures include employees in Washington and in field offices. It has the assistance of about 10,800 other employees working through the state land-grant colleges. They include county farm and home demonstration agents and state extension editors and writers. The Agriculture Department, the states and counties share in paying salaries of these workers. The Department also has the assistance of more than 25,000 farmers who serve on local and county Agricultural Adjustment Administration committees. They are concerned chiefly with local administration of crop control and similar programs. Paid on a per diem basis, they work only a few days each year.

Unknown cost of information

HOW many of these employees are engaged in information activities? That is a question Department officials themselves could not answer. The Department's office of information has about 250 employees, but it does not include employees of the various bureaus and agencies of the Department who serve in direct informational capacities. Neither does it include hundreds of economists, research men and other officials who contribute in one way or another to the preparation of informational material.

Regardless of the number, the Department feels that the nation gets more than its money's worth for the amount spent on the agency. They point out that science and technology have enabled agriculture to increase its productivity manyfold. Much of this scientific and technological spade-work was done by the Department.

A convincing argument can be made, officials state, to show that consumers have benefited more from these gifts of science than have farmers. So often, they point out, agriculture's abundant productivity brings depressed prices and financial distress to producers, but lower cost of food to consumers.

On the other hand, economy-minded congressmen contend that the essentials of agricultural information can be carried on at a smaller cost to taxpayers. They say they seek only to lop off some of the "unessential trimmings."

They Feed the Springs of Discontent

(Continued from page 48)

ciates says. "Everything from soap to nuts—and bolts!"

A soap company, a farm tractor manufacturer, a bus line, an auto maker, a meat packer, a railroad—all have "something cooking" in the way of new designs. The current Dreyfuss work ranges from typewriters to ocean liners. Loewy designers are even working on an advanced civilian walkie-talkie.

Over at Van Doren's a couple of busy people have taken time out from designing an entire new line of kitchen and bathroom fixtures for Sears, Roebuck to consider what can be done to improve the umbrella!

What's going to come out of it all?

New kitchens are coming

THE American kitchen and the American bathroom are likely to be the most radically affected by new designs.

The kitchen sink will be an assembly job combining many functions. A recessed drain rack for dishes, a temperature regulator for water, a heating compartment for drying towels quickly, a concealed built-in garbage removal unit, faucets operated by foot—all these are on hand to make you no longer satisfied with your old chipped porcelain model. Designers are playing with a pivoting faucet which slides back into a niche in the wall, leaving the whole sink area free for working. And the age of the soundproof garbage can is dawning.

Eventually no kitchen will be considered complete without a set of photoelectric cells so sensitive they can detect a film of smoke floating between them. With some sort of electric alarm, the family would be aroused long before a fire could get well started.

Refrigerator manufacturers are cooking up some things that should make you mighty discontented with your old unit. Manufacturers used to think in terms of four to eight inches of insulation in refrigerator walls. New materials, such as aluminum foil, can cut down insulation thickness to an inch or two. While these new materials are too expensive at present for use in mass production, the time is not far away when something will be developed to cut

down the wall thickness and make refrigerators more roomy inside with the same or smaller over-all dimensions.

Owens-Illinois Glass envisions a plastic refrigerator with an ice water tap, ice cube ejector, frozen food unit, and ultra-violet lamp to sterilize food. Westinghouse, by the way, has already developed such a lamp. Designers don't see the day coming, though, when refrigerators will have transparent doors. Housewives don't like guests to see dishes of leftovers.

All parts of the family kitchen are receiving attention from the designers. Getting dishes off inaccessible top shelves of kitchen cabinets will be a simple task with a new cabinet designed by Bel Geddes. It is equipped with hydraulic shelves, raised or lowered by a push-button. Loewy has designs for milk-glass Venetian blinds for kitchen windows, which open and shut by the action of photoelectric cells responding to the light of the sun.

Purdue and Cornell Universities are making intensive studies of the kitchen, including an analysis of the steps a housewife takes between stove, sink, refrigerator, and a study of the heights at which kitchen units and work tables should stand. Much attention is going to the matter of designing an ideal stove.

Egmont Arens and Lurelle Guild, along with the others mentioned earlier here, are among the pioneer people in the field of industrial design.

Arens and Guild are widely known for their work in designing various pieces of kitchen equipment. The former worked also with low-pressure molding of plastics. Guild attracted early attention with his work in aluminum utensils such as tea kettles, pots and pans. He also has done extensive research in store interior and modernization.

Novel bathrooms, too

A REVOLUTION in bathrooms is being led by Sears, Roebuck. For that company Van Doren has designed a bathtub that is said to overcome many traditional flaws. To gain length, the sump runs diagonally. This leaves enough room for seats on one outer and one inner edge. The design con-

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forms to standard length, making the tub fit existing alcoves, and it is narrow enough to allow easy cleansing of surfaces against the wall. Its steel-stamped core is reported to be 25 per cent cheaper to produce than cast iron, and its weight of 100 pounds—against 300 pounds for a conventional tub—makes for lower shipping costs.

All the rooms of tomorrow's house will be more efficiently heated, with new regulators coming on the market. Minneapolis Honeywell Regulator Co., for example, has a heat control system which will permit sectional regulation so that the living room can be maintained at 72 degrees, the bedroom at 65, the garage and attic at 50.

For homes in the South and West without central heating, Teague has designed an oilburning room heater and a gas heater, either of which can be put in the corner of a room and will blend in with the furniture.

Tomorrow's house will have many new kinds of furniture. Foam rubber, for instance, is coming into use to replace springs in upholstery. The rubber is attached to the wood.

Consumers help test

VAN DOREN, like other industrial designers, puts emphasis on research and consumer surveys. In designing an electric iron, he put plaster models of his iron and those of two competitors in a box installed in a store. Women were invited to reach into the box and test the "grip" or "feel" of the irons. All three models were concealed from sight by gauze masks placed over the holes in the box. As a result of these tests the Van Doren model was modified until it seemed to the customers to have just the right "feel."

Another devotee of research is Dreyfuss. He recently kept 58 persons in the mock up of a giant airliner overnight to observe their reactions to the fittings on which an orthopedic surgeon collaborated. In designing safer farm machinery, Dreyfuss operated a tractor and threshing machine.

He studied the shape of fingers and the length of fingernails in designing typewriters. These were given a dull finish to prevent glare causing typists headaches. Dreyfuss and engineers of the company have spent 12 years of research in reducing the size and improving the efficiency and attractiveness of the Hoover vacuum cleaner.

Sometimes products are rede-

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A cash dividend declared by the Board of Directors on March 12, 1947, for the first quarter of the year 1947, equal to 2% of its par value, will be paid upon the Common Capital Stock of this Company by check on April 15, 1947, to shareholders of record at the close of business on March 28, 1947. The Transfer Books will not be closed.

E. J. BECKETT, Treasurer

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signed mainly to give salesmen new "talking points." This has frequently happened with automobile designs. Glove compartments, fancy ash trays and chromium plate on the dashboard were first installed primarily as a subtle way of making people dissatisfied with their old, plain, less stylish cars, even though the latter were just as soundly built and virtually as efficient. (One farm implement company in 1939 put out a streamlined manure spreader as a talking point.)

Designs do help sales

SKEPTICALLY MINDED business men sometimes wonder whether the redesigning done by Teague, Dreyfuss, Loewy, *et al.* really brings increased sales. Here are two cases for illustration:

Teague designed a new vacuum cleaner for Montgomery Ward before the war. It featured a horizontal motor and improved aerodynamic design for air passages. The efficiency of the cleaner was increased, Teague claims, and noise and weight were reduced. The horizontal motor reduced the over-all height of the cleaner by one inch, thus increasing its serviceability for cleaning under furniture. This model brought a sales increase of nearly 150 per cent over the preceding model.

A midwestern railroad testifies that following introduction of a new streamlined train, passenger traffic on that train increased 100 per cent.

Of course redesigning can hurt a product, too, if the new design is too revolutionary. Designers can never afford to get too far ahead of the customers' tastes. But the general rule which industrial designers claim to be true is that given two products of about equal price, quality and function, backed by approximately equal promotion, the better-designed one will receive better public acceptance. For one thing, merchants are likely to give it better display.

To be radically new, a product need not perform a completely new function. Such is the case of the automatic computing gasoline pump. "There wasn't any jump, a pump was still a pump," as someone has said, but this single device represented a major innovation.

Sometimes better sales acceptance of a product is only a matter of changing its color. Loewy cites the example of dime lockers for luggage in railroad stations.

"These used to be painted dark green, black and orange," he said,

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referring to the stations operated
by one railroad. "We adopted a
color scheme of aluminum, cobalt
blue and ivory. After a period of
trial, the president of the locker
company wrote that the use of
lockers which had been repainted
(but not relocated) had increased
250 per cent."

The designers are placing in-
creased stress on engineering in
their work, for more and more
products they handle require re-
engineering from top to bottom.
Dreyfuss designed the New York
Central's crack train, the 20th
Century Limited, with all its ap-
purtenances, and is now at work on
several new trains for this railroad
and also on a new diner for the
Santa Fe. Teague is responsible for
the interior design of Boeing
stratocruisers with their double-
deck arrangement of top main
cabin for 55 passengers and lower
deck lounge for 14, connected by a
circular staircase. Such jobs call
for expert engineering knowledge.

Old design that's sound

SOMETIMES, though, a designer
encounters a product so well made
that he can't improve on it. This
proved to be the case a few months
ago. A company that makes lan-
terns brought their product in to
see what could be done to improve
it. The lantern was the old-fash-
ioned affair lit by kerosene, with
tapering glass chimney enclosed in
a metal frame. It was designed
many years ago by a Pennsylvan-
ian named Paull.

For six months the lantern re-
mained perched on a drafting table
of a topnotch industrial design
house. Highly paid draftsmen, en-
gineers and designers studied it
and made sketches. The more they
investigated Grandpa Paull's lan-
tern, as they called it, the more
they found themselves admiring
its design. Its efficiency, they dis-
covered, came from two features—
the shape of the chimney, and the
hollow tubes in the frame which
collect the heated air and fumes at
the top of the chimney and circulate
them back to the base of the
flame. After trying all sorts of in-
novations, the designers had to
confess that there was nothing,
really, they could do to improve
the old lantern. They sent it back
to the manufacturer with sincere
compliments on the design.

Another product, incidentally,
whose design can't be improved is
the sewing needle. Though better
metals are used, the design of the
needle remains the same as it was
1,000 years ago.

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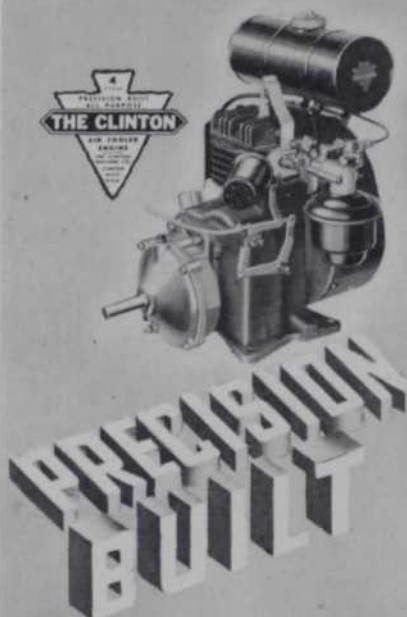


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Reading for Pleasure or Profit...

"The Conqueror Comes to Tea"

By John LaCerde

THIS is a book of brisk, on-the-spot reporting about Japan under MacArthur. It has pungent anecdotes and the authority of many observations, since the occupation threw open its information services to the author.

LaCerde insists that the occupation can be successful only if it continues at least ten years, citing as evidence letters intercepted in the Japanese mail, which underline the survival of terrorist societies and a vivid resentment of America. The current national demoralization, LaCerde says, affects American soldiers, too, and his chapter, "Love without Kisses," describes an appalling incidence of one kind of liberty we are not supposed to be teaching the Japanese.

"The Conqueror Comes to Tea" (Rutgers University Press, New Brunswick, N. J.; \$2.75) tells some of the best stories yet about the strangeness of Japanese character.

Some minds were able to accept with joy both America and Europe, and made their conflict of "innocence" with "experience" a subject for penetrating fiction, like the stories in this book by Henry James. Others felt only outrage at the decadence of Europe, forever "contemplating its own toes," and its dishonesty ("America doesn't know the meaning of the word corruption compared with Europe!" cried William James), and its injustice.



In the 1800's, Europe, for Americans, was still a spectacle, a contrast, and seldom more intimate than an ancestor. But with the first World War we came to share its contemporary life. "Discovery of Europe" (Houghton Mifflin, 2

Park Street, Boston; \$5) concludes with intimate papers of Colonel House and writings of expatriates and ambassadors between the wars.

"Small Town"

By Granville Hicks

AFTER renouncing communism, Granville Hicks left both the Party and the big city in disgust eight years ago, retiring to the small town in New York State to which he gives the name Roxborough in this sensitive and delightful book. "Small Town" (Macmillan, 60 5th Avenue, New York; \$3) asserts that big cities are symptoms of the disease of our time and examines the values preserved by the Roxboroughs in American life.

It is the "link of locality," Hicks says, which gives so much richness to human relationships in Roxborough. In big cities social life is largely based on contacts made in only one way, through the job; but, in a small town, the same people meet in many capacities, as parents, neighbors, gossips, fellow-employees and citizens. This closeness makes the small town an enemy of abstract theory. There it is not "politics" but particular

"Discovery of Europe"

Edited by Philip Rahv

THIS brilliant anthology portrays the shifting attitude of Americans toward Europe, from 1772 to 1939.

First among the 36 writers are Franklin, Adams and Jefferson, in whose witty correspondence Europe appears as the antagonist, an alien power to be handled with caution, a dark old oligarchy to which our infant republic must be proudly compared. Later, Americans developed a new nostalgia and reverence for Europe. It became "the vaunted scene," where tourists made pilgrimage, and men like Henry Adams came to recapture the past, drinking at those holy springs from which the life of America itself first flowed.

There were others, represented here by Mark Twain's "Innocents Abroad," who thumbed their nose at Europe, shouting that, whatever the Old World offered, we could build one twice the size.

politicians, not "reform" but particular improvements, not "poverty" but the particular poor, that people think about.

"Religion and the Rise of Capitalism"

By R. H. Tawney

MANY business men will be interested in this history of the relationship between Christianity and business methods. First published in 1926, "Religion and the Rise of Capitalism" (Harcourt Brace, 383 Madison Avenue, New York; \$3.75) is particularly relevant now, when the values of capitalism are under attack in so many countries.

Tawney, distinguished British historian, begins his account with the Middle Ages. In those days, the church looked on the profit motive as a temptation to avarice, and forbade any accumulation of wealth beyond what would enable each man to buy "the necessities of life suitable to his station." Charging interest was "usury," a grave sin.

It was the Calvinists at Geneva, Tawney relates, who first admitted that business prudence was compatible with Christian morals, and the Puritans in England, among whom "idleness was unlawful," who first made business enterprise a virtue. While these changes were taking place, Tawney maintains, people came increasingly to consider business and religion as separate departments of life.

Tawney traces down to modern times this growing separation of religion from business. Today it is a point of honor among economists not to soil their pure science with judgments of right and wrong. And society, Tawney says, is too often considered, not as a spiritual organism, but an economic machine. He calls for a reintegration of the spiritual and practical life.

"Away Went the Little Fish"

By Margot Bennett

IF you like your murder served with wry wit and a minimum of blood, "Away Went the Little Fish" (Doubleday, 14 West 49th Street, New York; \$2) is your dish. The village of Wetherfold was full of odd fish and, when one of the oddest was found dead in a dower chest up for sale, bored young John Davies plunged into the thrills of amateur detection. The charm of the book is in the author's salty comments on an alluring lady, a caste-bound major, a dubious scientist and the bevy of others.

—BART BARBER

The New West



* From the Report* of the Senate Committee to Investigate Industrial Centralization we quote:

"When our era of industrialization began . . . industries took root where proximity of resources to centers of population made it most profitable and convenient." The report emphasizes that these *now over-developed* industrial areas can scarcely hope to expand their local markets further. They must either: 1) Encourage industrial development in foreign countries to increase their purchasing power, or 2) develop our own West which produces 50% of the nation's minerals, 49% of the timber, 32% of agricultural raw materials, and occupies 61% of our continental area. "Development of this area," the report continues, "should

mean an enormous new market for American products."

Kansas, with its transcontinental railroads, airlines and highways is the logical gateway between the industrial East and this great *under-developed* Western area. In Kansas you find abundant cheap fuel and power, enormous reserves of basic materials, favorable legislation, excellent living conditions at low cost, and manpower that is intelligent, experienced and thoroughly cooperative. Ask this Commission for further information.

*This report and the map which accompanies it are well worthy of serious study by every industrialist. Available for 25 cents from Government Printing Office, Washington, D.C.

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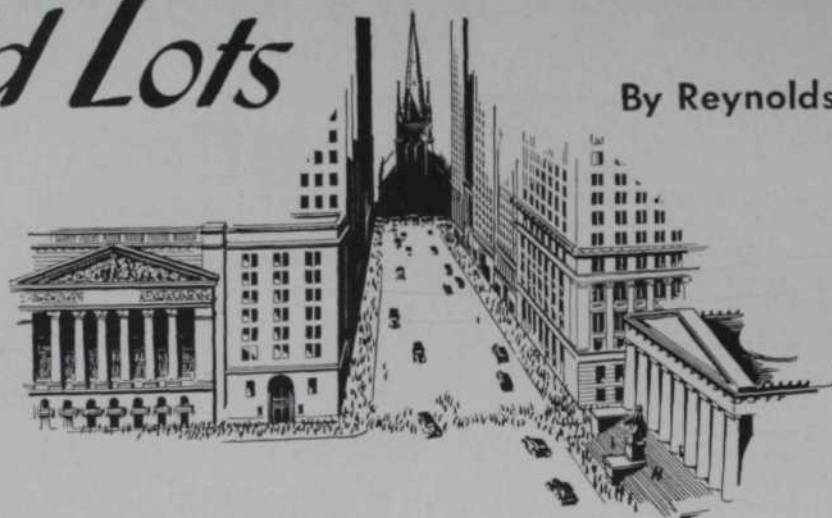
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TOPEKA, KANSAS

MEETS INDUSTRY HALF WAY

Odd Lots

By Reynolds Girdler



A Bit of History

THERE was ice in the river. A cold fear, too, was gripping the bankers and merchants of Wall Street. Business was "stagnated and unprofitable." Stock prices, so buoyant the year before, were tumbling. And nobody could explain why. The *Chronicle* was saying the country was bearing easily its new burden of \$2,600,000,000 of public debt.

That was the year 1867, like 1947 a year of transition from a long and bitter war. That was the year, too, that Abraham Kuhn and Solomon Loeb, merchants from Cincinnati, formed the firm of Kuhn, Loeb & Co. in New York City. So this year Kuhn, Loeb is celebrating its 80th anniversary, and receiving the Street's wishes for many happy returns.

In 1867, John J. Cisco & Co. were fiscal agents for the Union Pacific. They were completing the 525th mile of the road, west from Omaha. They were also assuring the East that Indians had molested the work only once.

Less than 30 years later, the Cincinnati merchants made their banking reputation by successfully refinancing what is today one of the world's greatest transportation systems—the Union Pacific R.R.

★ ★ ★ ★ ★

Good Soldier

IN April, 1941, the President of the United States greeted the president of the New York Stock Exchange with some cordiality. By these greetings, the President summoned into army service William McChesney Martin, Jr., one of the first—and certainly one of the most notable—of the millions of young men drafted into the Army and Navy.

His job and his \$48,000 a year

salary spotted Martin in a bright and crucial light. In effect, he was called upon to exemplify the democracy of the draft. A lesser man than Martin might have hammed the act. But Bill bore the reporters and photographers—and later the skeptical scrutiny of some of those drafted along with him—with equal equanimity. Then he disappeared into the maw of the training program.

Wall Street followed his Army career with interest. After basic training (for which a strenuous devotion to tennis had prepared him physically) Martin rose steadily. He was commissioned a first lieutenant in February, 1942. But it was Major Martin, Wall Street noted, who accompanied General Burns to Moscow in the spring of 1943. The Street enjoyed the spectacle of a former floor member and Stock Exchange president actively helping the anticapitalists.

Martin is now board chairman and president of the Export-Import Bank of Washington. The Bank has made reconstruction loans to liberated and war-torn areas. But its normal purpose is financing export-import trade.

Some of Martin's Wall Street friends expect that some day he will return to the securities business. His contributions to the Street were notable. The publicized Conway Committee floundered in its efforts to help the Stock Exchange until the committee discovered its young secretary—Martin. He had a program all worked out, along with valid reasons for each step in the program. It was this program—for which Martin had prepared himself through years of study here and in London—that led to his presidency. On

that day the Stock Exchange started back on the long road to public favor.

★ ★ ★ ★ ★

Big Boom Ahead?

WALL STREET took heart last month. From chilly Boston came some happy figures. The 1929 security boom, said the firm of F. L. Putnam, was built on \$4,500,000,000 Liberty bonds. Now some \$63,500,000,000 in government bonds repose in private hands, providing an enormous market for enterprising security salesmen. And there are fewer security salesmen to reap the possible bumper crop. In Massachusetts, for example, there were 5,200 stock jobbers in 1929. There were more salesmen than customers in those days. But now the Bay State has only 1,100 security salesmen.

★ ★ ★ ★ ★

Venture Capital

WHAT public service does Wall Street perform?

Its critics, of course, say none. But even they cannot deny the social benefits that spring from the constructive financing of successful enterprises. So they often resort to the claim that the Street serves only the large corporation... that the little fellow can get no help from investment bankers.

There is a grain of truth in this charge. If you want money to expand your business, generally you must show Wall Street a record of earnings. But there is a growing trend in the financial communities toward what is broadly termed "venture capital financing."

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STATEMENT OF CONDITION

December 31, 1946

ADMITTED ASSETS

Cash in Office, Banks and Trust Companies	\$ 31,742,083.29
United States Government Bonds	43,379,480.50
All Other Bonds and Stocks	84,651,631.82
First Mortgage Loans	176,651.51
Real Estate	3,497,218.16
Agents' Balances Less than 90 days due	10,291,747.65
Reinsurance Recoverable on Paid Losses	1,856,152.43
Other Admitted Assets	1,819,592.74
Total Admitted Assets	\$177,414,558.10

LIABILITIES

Reserve for Unearned Premiums	\$ 78,273,559.00
Reserve for Losses	21,691,968.40
Reserve for Taxes	3,944,218.20
Liabilities under Contracts with War Shipping Administration	3,696,078.76
Reserve for Miscellaneous Accounts	948,521.81
Total Liabilities Except Capital	\$108,554,346.17
Capital	\$15,000,000.00
Surplus	53,860,211.93
Surplus as Regards Policyholders	\$68,860,211.93
Total	\$177,414,558.10

Directors

LEWIS L. CLARKE Banker	GUY CARY Lawyer
CHARLES G. MEYER The Cord Meyer Company	HAROLD V. SMITH President
WILLIAM L. DEBOST President, Union Dime Savings Bank	HARVEY D. GIBSON President, Manufacturers Trust Company
WILFRED KURTH Chairman of the Finance Committee	FREDERICK B. ADAMS Chairman of the Board, Atlantic Coast Line Railroad Co.
EDWIN A. BAYLES Dennis, Mass.	ROBERT W. DOWLING President, City Investing Co.
GORDON S. RENTSCHLER Chairman of the Board, National City Bank of New York	GEORGE GUND President, Cleveland Trust Co.
ROBERT GOELET Real Estate	HAROLD H. HELM First Vice President, Chemical Bank & Trust Co.
GEORGE MCANENY President, Title Guarantee & Trust Co.	

NOTE: Bonds carried at \$4,413,915.98 amortised value and cash \$50,000.00 in the above statement are deposited as required by law. All securities have been valued in accordance with the requirements of the National Association of Insurance Commissioners. On the basis of actual December 31st market values total Admitted Assets would be increased to \$182,244,632.03 and the Surplus to Policyholders would be increased to \$73,690,285.91.



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One of the major industries of Washington State is its fisheries. Nature renews the crop from year to year, but men must employ their strength and resources to reap the harvest of the "Silver Horde."

Commercial fishing is "big business" in the Pacific Northwest—whence vessels ply the waters of the North Pacific and Alaska to bring back the food fish of the sea.

Through the years, the Seattle-First National Bank has been closely associated with the fishing industry, just as it has assisted in the development of many of this state's basic resources and industries.

If your plans include expansion into the Pacific Northwest or if you are looking for new fields of opportunity, our experience and our contacts through our 41 banking offices in Washington may be helpful.

A quarterly publication of this Bank, giving a careful review and digest of business and industrial conditions in the Pacific Northwest, will be mailed to you regularly upon request.

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to enter this field was Smith, Barney & Co., bankers for such outstanding units as American Rolling Mills, Dow Chemical, Scott Paper, and many others.

The firm's partners recognize that this new field imposes increased responsibilities on them. It's one thing to offer shares in Dow Chemical. It's quite another to offer shares in a new industry.

But someone must take such risks if the nation is to have more competition and more new industries. Otherwise, how will there be jobs tomorrow for your son and your neighbor's son?

In operating its new department, Smith, Barney exercises great selectivity in two fields. First, it chooses with care the young ventures for which it finds capital, rejecting many more than it accepts. And second, it allows only those investors with the means and the financial sophistication adequate to the risks, to participate in financing such ventures.

★ ★ ★ ★ ★

Caste System

SAD TO relate, Wall Street, like official Washington, has a caste system. In Washington, it's important where you are seated at state dinners. In Wall Street, you attach importance to where your name appears in the advertisements of underwriting syndicates.

Everyone, of course, recognizes the primacy of Morgan, Stanley & Co. Most everyone, that is. Occasionally one of the big firms that ranks near Morgan will ask that its name be deleted from the newspaper ad even though the prospectus clearly shows the syndicate's hierarchy with Morgan, Stanley at top.

Only once, as near as research can determine, has Morgan, Stanley shown publicly in second position. But not even Morgan, Stanley's fiercest competitors begrudge the firm its exalted place. Wall Street recognizes, if the public does not, that that position was attained on merit, on the basis of a banking record without parallel.

★ ★ ★ ★ ★

Thin Markets

BOSTON is the home of the bean and the cod. But it is also the domicile of another phenomenon, the Boston trustee, by his own admission the ablest guardian of other people's money. That phrase "other people's money" is familiar now. Louis Brandeis used it as the title of a book he wrote when

trudging up the road to fame. But Adam Smith coined it. It is to be found in a little-read chapter of "The Wealth of Nations." This is a round-about way of leading up to the subject of one of the best-known market letter writers in Wall Street—Lucien O. Hooper of W. E. Hutton & Co.

Hooper recently invaded Boston to speak—by invitation—before the Massachusetts University Extension Course on "Investing in Stocks and Bonds." Hooper chose as his subject: "Some Right and Wrong Ideas about Stocks." And in his address he touched on a favorite subject of his—the thin markets that prevail today.

Hooper was one of the first to note that the stock market, purged of any number of elements by the New Deal in a supposed effort to add stability to organized marketplaces, actually is thinner, more volatile, and more speculative than before it received the ax strokes administered by the people's frantic friends.

He was, if memory serves aright, one of the first to state statistically that today's markets cannot absorb volume without violent motion up or down. In Boston he illustrated another aspect of this situation. In standard stocks, said Hooper, the annual turnover often is less than ten per cent of the outstanding shares. In a bull market, this gives you time to buy at leisure. But, when the turn to a bear market comes, you have little time to sell. Prices cave right out from under you, because there are no speculators to take the risks off your hands. This in itself should be a lesson to those who insist on reaching for that last eighth of a point of profit—reaching and then toppling, to be frozen into the uncomfortable ice of a bear market.

★ ★ ★ ★ ★

The Man

LEADER of the fight to allow security firms organized in corporate form to hold membership in the Exchange is Amyas Ames, himself a partner in conservative, old Kidder, Peabody & Co. This is not the first time Ames has intellectualized movements in Wall Street. A New Englander and a Harvard man, Ames was marked for leadership when he first came to Wall Street in 1933. He is a tall, lanky fellow with blue eyes and blond hair, and with a gravity of manner ages older than his appearance.

Like so many other Wall Streeters, Ames had a brilliant war record.

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Lever Brothers' wisdom in thus protecting its human relations as well as its plant investments is readily justifiable, according to Ellis Bird, Cambridge Plant Industrial Relations Manager. And their satisfaction with Crotty Brothers restaurant operation is underscored by their use of the service in their Hammond, Indiana, and Cambridge, Massachusetts, Plants and their Executive Office Building in Cambridge, Massachusetts.

★ From a series of case studies of in-plant feeding made by Richardson Wood, Industrial Analyst. A copy of his report on management's postwar opinions about employee feeding will be gladly sent free on request.

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On the Lighter Side of the Capital



The world do move

"YOU know me," said the senator. "I'm as bitter a partisan as ever threw a rock through a window. In my country the preachers like to speak highly of the deceased's politics in the funeral orations, but if he died on the wrong side the announcement is always:

"'Funeral private. No flowers.'"

He is disposed to speak well of the present Congress, as revealed by the debate on the budget.

"We didn't always agree, but shucks; it's our business not altogether to agree. But we didn't get poisonous about it. This is the most literate Congress we've had for ten years. The farther a man gets from the alphabet blocks the better able he is to understand when he listens."

Even in the cloakrooms no one called Taft or Rayburn out of his name. That was an important indication. Laugh if you want to, he said, but this Congress seems kind of purified by the realization of what we are up against. For 14 or 15 years we have been indulging in all the various kinds of hollering there are. On both sides of the middle, mind you. Now we discover that the world has got us in a clinch and we've got to fight our way free.

Too big and messy

SOME of the commentators—mike and ink—got pretty inspired about congressional failings, said the senator. But in cold fact all the congressmen he knew were sincere and concerned about the fix we are in.

"All of us—bar Vito Marcantonio—are either Democrat or Republican and we have our different slants and some of us can find a bug under almost any chip. None of us knew too much about what has been going on."

Nobody else did, either. Not even Senator Byrd, who has been trying to cool down our fever for spending ever since he left his Virginia orchards. Any one who could figure

out some new way to do good could start a bureau during the past few years. Likely no one thought of him again until he came before the committee to ask for more money.

That was the heck of it

PROBABLY every single governmental activity is and always has been well meaning. That is why



Congress has had so much trouble trimming the budget. Byrd has been popping at the government corporations that do business on government money in competition with the enterprises owned by taxpayers:

"One billion dollars could be saved if we got rid of them. Or more."

No Congress has ever been strong enough to do away with them all at one swipe and that's the only way they can be cleared out. To give a corporation money enough to wind up its affairs would be just the same as a gift of immortality. Byrd knows that, but he has the quality of endurance.

Journalistic thermostats

WASHINGTON correspondents are mostly busy with the news, of course. They crave facts. Sometimes the facts are kind of rugged, as when they extorted from the State Department the admission that Russia had been dunned three times in the past year to make some kind of a gesture toward settling its lend-lease \$11,000,000,000 debt. Some one revived a conclusion reached by one of the early Americans:

"If you owe a banker \$100 he's got you. If you owe him \$100,000 you've got him."

Sometimes the facts are little ones, like the grin on Secretary John W. Snyder's lips when he



hears that a columnist has attacked him again. He loves that man. Or Senator Barkley's expression when he is asked to consider Bilbo. Or a twitch in Jimmy Byrnes' eyebrow. Or Mr. Truman's reasonably constant jollity. They all mean something to the correspondents. Not always the same thing to all the witnesses.

End of an illusion

THE Capital's most firmly held conviction for years has been that the city drips with lobbyists. According to tradition, they drank nothing but vintage wines and their breakfasts were served in five courses. Any high-colored fat man who laughed loudly in a cocktail lounge—

There are no bars in Washington and revellers are required to take their drinks sitting, as a proof of refinement—

Was automatically found guilty of illicit trafficking with senators. Lobbyists are now required to register their names, connections and other statistics, and of the 544 listed to date half are hanging their heads like waterlilies. They are, they maintain, not making as much money as one of Dan Tobin's teamsters. If their wives did not have jobs they would be on poor relief.

Small fry and big lobbyists

MOST of those who complain are lobbyists in name only. They pick up a little change now and then from men who have business with Congress and believe their stories of intimacy with the legislators. If the business man can be coaxed into a position of hospitality there are always congressmen to be found who will go for a three inch steak and a modicum of bourbon. Such "lobbyists" have about as much influence as taxidivers. Most of the important lobbyists—they must register as lobbyists if they wish to present a case to Congress—are scholarly and reliable men, and are paid well:

"I enjoy talking to a lobbyist who knows his business," Taft once said. "They are intelligent, earnest, and they present angles that might not otherwise occur to me."

Men of this type are known to Congress. The others might as well be on windswept street corners with tin cups.

Maybe it's a portent

THERE was a time, and not so long ago, when the newcomers to Con-

gress kind of popped in when some oldtimer opened the door. The theory then—and it was enforced like the rules of a chain gang—was that the congressional infant must not speak on the floor until he had been in office long enough to lose the odor of sage and clover. A year was the rule.

"Now look at 'em," said a senator. "First thing you know they'll be calling us 'Pop.'"

The young fellows are "freshmen" now. They used to be called "Pups" and fresh fish and dough-heads. The new name traces back to the colleges which most of them attended, even if they did not all graduate. It would appear to be a proof that the senator was right when he said this is a more literate Congress than any we've had in ten years. They do not hesitate to talk back to the oldtimers. Not in a brash way, but with a kind of belligerent self respect.

Few of them are silent

CAIN of Washington made a talk on the Senate floor that won attention. He pleaded with his coadjutors to decide their problems with the good of the country in mind rather than partisan advantage. McCarthy of Wisconsin asked questions that were more than pertinent. He went to war as a private and came out of combat as a captain. Ferguson of Michigan isn't precisely a freshman now, but he could qualify as a grand jury. Lodge of Massachusetts—back in the Upper House after having resigned as a senator to win rank in the war—put the finger on the congressional reluctance to cut down government extravagance. Some one might write a full length piece about the newcomers someday. They're good.

Everything points to '48

THERE is a considerable and intense group of writers who argue that the Truman exhilaration indicates that he likes the prospect. His stock is in a mild bull market.

"He is outsmarting the Republicans," they maintain. "And they are split on policy. He thinks that, from now on, they will be carrying the butt-end of the log and if he can just jiggle the little end now and then they may fall on their faces. They are committed to a policy of economy and that's like salvation; highly desirable but hard to win. No one, he thinks, can blame him for the mistakes he inherited. He is refusing to qualify under the will."

In short, these onlookers think Mr. Truman believes he has at least a 50-50 chance in 1948.

Other tea leaves in the cup

ANOTHER school of pulse-feelers notes that Taft, Vandenberg, Martin and the other Republican leaders do not seem to be worrying.

"It's not what they say but how they look."

The argument is that the Republicans picked up a governmental mess. The clean-up process will be difficult but well received by the voters. Organization of the party in Congress under the new rules was tedious and uncomfortable but has been completed. Occasional differences—as between Taft and Vandenberg over Lilienthal—do not indicate a split. On the major issues, the Republicans in Congress will work as a team. The next two months will be easier on tempers than the first three. Republican eyebrows are smooth and neat.

Which recalls a story

AT A RECENT club dinner one of the younger speakers spoke of Taft. "Ohio," he said, "used to be called The Mother of Presidents. It looks like she's pregnant again."

Maybe we're worried, too

THERE is a man on The Hill—a big man, too, on the first pages when he talks—he claims that, for a politician, he is reasonably honest—who is reluctantly dissenting from Secretary of State Marshall.

"I hate to do it," he says. "I admire him. What he said to the Chinese got him a subdued cheer from all over this country. A lot of us had been wanting to say the same thing but we had been afraid to open our traps. The folks who think it is our blessed privilege to save the world even if we go bust doing it are pretty vocal. The things they say about us selfish people are prejudicial. Likely not a nation in the world will lend us a dime when we finally go broke."

But he thinks Marshall was all wrong when he said the American people are lethargic about the international situation. Just spectators. He thinks we know more about it than Marshall allows and we don't like it. But most of us are busy on our own jobs. It isn't a sign of mental weakness that we do not burst into tears after each meal.



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Shown in the illustration are the following products: fly swatter, raincoat, tablecloth, shower and window curtains, press polished sheet, blanket bag, floor tiles, garden hose, dog leashes, lady's belt, lady's handbag, clothesline and wire insulation.



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